Final Edition

ESTABLISHED OVER 100 YEARS

In 2 Sections—Section 1

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 161 Number 4378 New York, N. Y., Thursday, April 19, 1945 Price 60 Cents a Copy

President Truman Pledges Efforts To End War and Preserve Peace

Upholds "Unconditional Surrender" of Germany and Japan, and Continuation of Present Grand Strategy. Supports United Nations Parley and U. S. World Leadership. Will Work to Improve Lot of Common Man. Addresses Armed Forces.

President Harry S. Truman, in his first official address to Congress, appeared at a joint session of Congress on April 16 and delivered a speech in which, after eulogizing the late President Franklin D. Roosevelt, he promised to carry out the policy to continue the war until the unconditional surrender of Germany and Japan, and to build up a world organization for permanent peace. He called for unity of all elements toward these ends and pledged himself to uphold United States leadership in world affairs and to work with other nations to repress aggression and to promote harmonious political and commercial relationships.

President Truman

The complete text of the address follows:

Mr. Speaker, Mr. President, Members of Congress:

It is with heavy heart that I stand before you, my friends and

(Continued on page 1728)

Index of Regular Features on page 1744.

The Job Ahead

By PRESIDENT HARRY S. TRUMAN*

President Truman, Speaking as Vice-President on April 7, States the Principal Job Ahead Is Full Employment. Says It May Be Necessary for the Government to Assist Private Business in This Objective by Tax Reductions, Special Subsidies and Sound Business Loans. Estimates That There Will Be Ample Opportunities for Employment of Service Men, and, as Long as We Utilize Our Plants, Resources, Manpower and Skills Intelligently, There Should Be No Fear for Future in Human Endeavor. Calls for Government Assistance in the Full Cooperation of Capital, Labor and Agriculture, So That America May Again Lead the World Back to Tolerance and Understanding.

All Americans must unite and support our national leader in order to achieve victory in the difficult job ahead. Whenever they are strongly united for a good cause, victory goes to the aggressive champions of the people's welfare.

We Americans are especially fortunate in having as our political leader one of the greatest living statesmen in the world—President Franklin Delano Roosevelt!

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*An address by President Truman at the Grover Cleveland Dinner of the Erie Democratic Committee, Buffalo, N. Y. April 7, 1945.

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On Future Economic Prospects

By WALTER E. SPAHR

Professor of Economics, New York University
Executive Secretary, Economists' National Committee on Monetary Policy

Economist Takes to Task the Many Forecasters of Post-War Economic Prospects and Holds There Is No Evidence From History to Justify the Assertion That After this War, There Will Be No Serious Reactions. Contends a Series of Post-War Strikes and Government Controls Would Hamper Business Despite Large Money Deposits and Savings. Criticizes the Use of Slogans and Unscientific Appellations, as Well as Undefined Statistical Notions, Such as National Income, National Products and National Savings and Pleads for a Strict Scientific Analysis.

A large proportion of current forecasts as to what our future economic condition is to be seems to fall far short of what the standards of science require. And, after all, our knowledge does not extend beyond the limits set by science.

Dr. Walter E. Spahr

Much of present-day forecasting (up to the inauguration of President Truman) reads quite like the prevalent forecasting of the late 1920's at which time there was a widespread belief in this country that we could and would escape a secondary and severe post-war recession. Today, it seems to be widely, if not generally, accepted that at the close of this war we need not, and probably will not, experience a post-war reaction.

A considerable portion of the current discussion of this subject is built around the desirability of the maintenance of a "national income" at a certain, usually-designated level, just as though we

(Continued on page 1733)

International Bank Credit and The Bretton Woods Program

By THEODOR M. VOGELSTEIN

Writer Contends That the International Monetary Fund Is Insufficient to Stabilize Currencies or Promote Normal Flow of World Trade, and Will Have to Be Supplemented. Holds That U. S. Banks Have Sufficient Resources for Ample Foreign Trade Loans if They Cooperated Nationwide for This Purpose. Maintains Foreign Credits, if Currency Risk Is Eliminated, Are of Equal Quality With Domestic Credits, and That Principal Problem for Europe Is Obtaining Long Term Credits.

This article does not wish to discuss the question whether Congress ought to accept or reject the Bretton Woods Proposals including the International Monetary Fund (I.M.F.). The vote of Congress is a question of international policy and only to a small extent depending upon the merits and faults of the proposals themselves.

Theodor Vogelstein

But it can be easily proven that the I.M.F. is unable to fulfill its aims and has to be supplemented—or if rejected, substituted—by other measures which are far bigger and more appropriate for this purpose.

I

The I.M.F., as it is planned today, not considering neutral nations like Sweden, Switzerland, etc., which may join later, is scheduled

(Continued on page 1725)

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Fundamentals of Bretton Woods

By HON. DEAN ACHESON*

Assistant Secretary of State

Asserting That We Must Not Again Experience the International Monetary Chaos That Followed World War I, Mr. Acheson Maintains That the Fundamentals of the International Fund and the International Bank Are Simple and That the Criticisms Are Directed Against Unimportant Details. Contends That Fund Does Not Introduce a New Method of Lending or Operates Contrary to Accepted Credit Principles. Also Refutes Theory That Fund Is Too Large and That Voting Power Is Misplaced. "No Real Difference" Between U. S., British Interpretations.

There are periods in the history of mankind that are clearly marked for great achievement. The Renaissance was such a period; the 18th century was another. To this generation has been given the opportunity to shape a world in which men will be freed from the scourge of war.

Dean G. Acheson

The task before us is difficult. The world tried before and failed. We have learned from this failure that it is not enough to set up the political machinery for peace. We must also provide a sound economic foundation for enduring peace. Countries touch each other at innumerable points in their international economic relations. We must make sure that these international economic relations contribute to the well-being of all countries, and that that they do not become points of conflict which endanger peace.

The great difference in our second attempt to establish a peaceful world is the wide recognition that peace is possible only if countries work together and prosper together. That is why the economic aspects are no less important than the political aspects of the peace. That is why the Secretary of State said in his Chicago speech: "The close cooperation of the United Nations in a program for economic reconstruction and expansion . . . is fundamental to the success of the world organization. Without it the world will be able neither to recover

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*An address by Mr. Acheson before the Economic Club, New York City, April 16, 1945.

(Continued on page 1734)

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Mr. Knies was formerly manager of the foreign department and trading department of Reynolds & Co. and prior thereto was a partner in F. A. Willard & Co.

Needed: A Balanced Budget With Less Government Spending

By HON. JAMES A. FARLEY*

Former Postmaster General

Chairman of the Board, The Coco-Cola Export Corporation

Mr. Farley, After Referring to the Administration's Policy of a Business Budget in 1933 and Its Subsequent Abandonment Because of Pressure Groups, Points Out That in the Post-War Period, the "Whetted Appetities" of the Same Special Groups Will Call for a Continuation of Deficit Spending. Holds Advocates of Liberal Spending "Are Still Retained in Important Official Positions" and Warns That Their Policy Constantly Goads and Threatens Business With More Regulation. Points to Government Competition in Banking and Calls for an Economic and Tax Policy That Will Give Incentives to Private Enterprise.

I am happy and honored to be your guest speaker this evening—happy to be among my good friends of Maryland—and honored that your association should invite me to address your annual dinner meeting. To be perfectly candid, until a friend of mine suggested a possible explanation, I was not clear about why I was invited to take part in your program. My friend reminded me that as Postmaster General I had supervision of the Postal Savings System, a banking set-up which at one time was thought to be unique because its investments were limited to United States Government Bonds. "With that background of experience," my friend told me, "you are a natural to talk to bankers these days." "Bank statements," he pointed out, "are getting to look more and more like the statement of the Postal Savings System." "Your banker friends," he warned, "will want you to tell them where this trend in banking will eventually lead or, better still, how it can be reversed."

James A. Farley

These are difficult questions and I know you don't expect me to supply all the answers this evening. You will recall, I am sure, that such reputation as I may have as a forecaster of future events was gained in a field having little in common with banking. Moreover, there is a good deal of the element of chance involved in any kind of prophecy.

Our primary task, that of winning the war, is one in which Maryland already has an outstanding record. Several billions of dollars of war contracts have been filled by the industries of Maryland on schedule and according to specification, notwithstanding the labor shortage in

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*An address by Mr. Farley at the Dinner Meeting of the Maryland Bankers Association, Baltimore, Md., April 12, 1945.

(Continued on page 1736)

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Herbert D. Seibert,
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Thursday, April 19, 1945

Published twice a week
every Thursday
(general news and advertising issue)
and every Monday
(complete statistical issue—market quotation records, corporation, banking clearings, state and city news, etc.)

Other Offices: 135 S. La Salle St., Chicago 3, Ill. (Telephone: State 0613); 1 Drapers' Gardens, London, E. C., England, c/o Edwards & Smith.

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Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of March 3, 1879.

Subscriptions in United States and Possessions, $26.00 per year; in Dominion of Canada, $27.50 per year; South and Central America, Spain, Mexico and Cuba, $29.50 per year; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $31.00 per year.

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Small Business and Disclosure

On April 12, last, Edward A. Kole, one of the attorneys for the Securities Dealers Committee, appeared before a subcommittee of the Select Committee on Small Business of the House of Representatives meeting in New York City, presided over by Congressman Eugene J. Keogh. He made certain recommendations which, in his opinion, would have the effect of making capital markets more accessible to small business.

These recommendations, all legislative in character, were three-fold:

(a) Repeal of those statutory provisions which made it impossible for Appellate Courts to set aside or modify findings of fact by an administrative body where the records showed "some" evidence to sustain such findings;

(b) A separation of functions in administrative bodies so that these would be prevented from exercising the simultaneous functions of investigator, prosecutor, judge and jury;

(c) Prohibiting the Securities and Exchange Commission and the National Association of Securities Dealers from promulgating any rules that would change trade custom and usage in the securities business, and from passing any regulation which would compel dealers to disclose inside or wholesale market prices of securities.

Although we commend Mr. Kole for his presentation before the Small Business Committee, we cannot help saying that in our opinion in some respects that presentation was inadequate.

It may be such inadequacy was due to time limitation, and if this is so, we hope that he will submit to the Committee addenda covering the subject of our criticism.

It seems to us **the economic effect** of a "disclosure" rule that would compel a dealer to supply his customer with inside or wholesale market pirces, was not adequately stressed.

Such a rule would make the investor profit conscious since the dealer's "mark-up" would be known. Consequently, dealers would tend to sell securities that could be disposed of at the least possible expense to themselves to enable them to keep their "mark-ups" down to a minimum.

That would mean concentrating on the securities of the big corporations of the country and ignoring the securities of small business. That this would be so becomes obvious when we reflect on the fact that orders for the securities of the big corporations of the country are relatively easy to obtain and in many cases can be secured over the telephone but the securities of small corporations **have to be sold.** Consequently, as things stand now, more often than not, not only does a salesman have to engage in a lengthy sales discourse on why the securities of some small corporation constitute a

(Continued on page 1717)

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The Road to Bretton Woods

By EDWIN W. KEMMERER*

Emeritus Professor of International Finance,
Princeton University

Leading Monetary Expert Contends That Bretton Woods Was Dominated by Ideas of Lord Keynes and That the Policy-Making Experts Were Little More Than Presidential Rubber Stamps. Says Difficulties Were Glossed Over by Reservations and That Motives of U. S., Britain and Russia Were at Variance. Attacks Governmental Propaganda and Holds the Fund Is Merely a Scheme of Managed Paper Currencies, Which Will Lead to International Debasement, Wars and Inflation. Pleads for Gold Standard and Warns Against Being Jockeyed Into a Grandiose Global Scheme of Managed Currency Standards.

E. W. Kemmerer

The Bretton Woods Plan was a development from two monetary plans made public April, 1943, the Keynes Plan emanating from the Government of Great Britain and the White plan from our own Government. These two plans were similar in their purpose and their fundamentals, but differed considerably in their emphasis and details.

In the summer of 1943, in response to an invitation which Secretary Morgenthau sent to 37 nations, "technical experts" from most of these nations were sent to Washington to discuss the proposals. Following these discussions a revision of the White plan was made public in July, 1943. In November our Treasury Department published a draft of a world bank plan. Out of these discussions there developed the "Joint Statement of Experts on the International Money Fund" which was published in April, 1944. This plan was formulated after many months of secret deliberation by the "technical experts" of approximately 30 countries—experts whose names, so far as I know, have never been

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*An address by Dr. Kemmerer before the Economic Club, New York City, April 16, 1945.

(Continued on page 1740)

Post-War Home Building

By THOMAS S. HOLDEN*

President, F. W. Dodge Corporation

After Reviewing Estimates of Post-War Building, Some of Which Are Based on Needs Rather Than Probability of Accomplishment, Mr. Holden Forecasts a Post-War Non-Farm Home Production of 820,000 Units in Ten Years. Contends That Small Units Will Continue to Prevail and That Construction Will Follow Much the Same Methods as Formerly. Ridicules "Miracle Houses" and Sees No Rapid Trend Toward Pre-Fabricated Structures. Predicts Continuation of Materials Shortages for Period After War, but Estimates 300,000 New Homes Will Be Built in First Year After X-Day.

Thomas S. Holden

Quite a number of post-war housing estimates have been published, some running into rather fantastic figures. I do not propose to tell you which estimate is going to prove to be the right one, because I do not know. I think I can give you some basic facts to which you can apply your own business judgment and arrive at a figure you can use as a sensible one in making your own plans.

The National Housing Agency published last

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*An address by Mr. Holden before the New Jersey Home Builders Association, Newark, N. J., April 13, 1945

(Continued on page 1721)

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"Selling" Bretton Woods to the Country

By HERBERT M. BRATTER

Financial Writer Calls Attention to Activities of Pressure Groups to Influence Congressmen in Favor of Bretton Woods Pact, Quoting Articles in the "Daily Worker," the Louisville "Courier-Journal" and the "New Republic." He Describes the Treasury's "Selling" Program and Furnishes List of Government Speakers and Their Speeches as Well as Articles in Magazines and Other Periodicals Written by Supporters of the Bretton Woods Program.

Within a few days the House Banking and Currency Committee is expected to resume its hearings on the Bretton Woods program. When the hearings were suspended in March, prior to the Easter recess of the House, some publications which had been giving the program their ardent support reported the Administration as apprehensive that a bare majority of the committee would not go along with the International Monetary Fund proposal. Unofficial newspaper "polls" reported the Fund as being opposed by all the Republicans and two Democrats, Barry of N. Y. and Baldwin of Md. One or both of these two, it would seem, must be won over, if the Administration is to present the country with the endorsement of the House Committee.

Herbert M. Bratter

It is, therefore, significant to learn from the Daily Worker that "a major drive to change Queens Congressman William B. Barry's mind on Bretton Woods is under way in his Congressional district . . . organized by Americans United." (Americans United is the organization which sponsored last February an all day Government lecture course on Bretton Woods, attended in Washington by representatives of 106 different pressure groups.) "A delegation of leading citizens" of Queens was preparing to descend on Congressman Barry.

Another recent Bretton Woods article in the Daily Worker suggests that, since two other House Banking and Currency Committee members come from rural districts Messrs. Talle and Kilburn—their local American Farm Bureau Federation groups should bring their influence to bear on these Congressmen to vote for the Bretton Woods program without change. The article tells of Bretton Woods information "brought to the attention of" Congressmen Kunkel and Brumbaugh, who are also on the committee, and mentions the fact that "State Department people . . . have been working on the Hill."

Object to Treasury Propaganda

Two Congressmen have raised public objection to the use of public funds by the Treasury Department to have full-page photostats of newspapers containing news articles about Bretton Woods sent to them at public expense. Congressman Crawford of Michigan, one of the ranking Republicans on the House banking committee, calls this "diabolical and un-American pressure of the first order."

It is easy to see that the advocates of Bretton Woods are leaving no stones unturned.

Organized Pressure Is Sought

A columnist in the Daily Worker who writes frequently on Bretton Woods calls the legislation a matter of "world shaking significance" and says that "what appears to be lacking on a state-wide scale is the organizing and unifying center for the labor movement, the farm organization, the numerous civic bodies, and financial and business groups that are for Bretton Woods" to get their members "into action in each Congressional district."

"A host of private organizations" are already at work, another writer reports. Americans United, already mentioned above, is active through its chapters from coast to coast. Another sample of its work: it has appointed in Los Angeles a committee to examine criticism of the Bretton Woods plan in a Los Angeles Chamber of Commerce publication, and reportedly will answer that criticism publicly.

The Louisville Courier-Journal, very decidedly a Bretton Woods enthusiast, carries the suggestion that opinion and pressure be "aroused" and suggests "positive lobbying activity" for Bretton Woods by the American Farm Bureau Federation as sure to

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Small Business and Disclosure

(Continued from page 1715)

desirable investment but also on occasions creating a market necessitates the preparation of circulars and statistical and other data of a costly nature.

Initially, if a "disclosure" rule were promulgated it might not affect the flotation of new security issues of small corporations but it certainly would not be long before both underwriters and investors lost all interest in stocks and bonds in this category when it dawned upon them that after once bought no satisfactory market could be found for such securities and they could be liquidated only at a big loss.

Such a rule, too, would eventually drive the small dealer in securities out of business because the large investment firms doing a volume business can afford to do business on a smaller "mark-up" basis.

In passing, we might say that when it was pointed out to an SEC official that a "disclosure" rule would make for an "dog eat dog" competition he is reported to have said, "Well, what of it? Isn't competition the essence of free enterprise?"

Obviously, this SEC man doesn't realize that "free" means just that and includes lack of any compulsion on a merchant in securities, fountain pens, vegetables or what not, to reveal to a customer his cost or wholesale price. Were he not "free" in this respect the American system of free enterprise could not survive and America as we know it would no longer exist.

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NSTA Notes

BOSTON SECURITIES TRADERS ASSOCIATION

On April 9, 1945, the Boston Securities Traders Association brought to a close a successful winter Bowling League tournament with a dinner at the Music Box in the Copley Square Hotel and the awarding of prizes. Under the direction of Chairman Rodney M. Darling an enjoyable evening was had by all.

The final Winter Lecture Forum sponsored by the Boston Securities Traders was held April 12, 1945, in the Boston Stock Exchange Bond Room with a very interesting talk by Mr. James H. Mellen of Townsend, Dabney & Tyson on the subject "Projected Highlights of Industrial Securities Field." Several hundred members and their friends attended. The committee in charge consisted of Robert H. Adams, Arthur E. Engdahl, William J. Burke, Jr., James E. Lynch, James R. Duffy, and Robert H. Warren.

Calendar of Coming Events

Apr. 20, 1945—New York, Security Traders Association of—Annual Dinner at the Waldorf-Astoria Hotel.

One thing that Mr. Kole didn't refer to at all, is the current activities of the NASD and the SEC concerning salesmen.

Statistical data is being gathered, we believe, as a preliminary to decreasing securities salesmen's compensation.

If the pay which dealers give to their salesmen is chopped, salesmen will then concentrate on the disposal of securities of big business and will be indifferent to those of small business.

On the whole, insofar as making capital markets accessible to small business, the set up of the Securities and Exchange Commission and the National Association of Securities Dealers, which is becoming more and more an arm of the Commission, does not present an inviting picture.

The bureaucratic controls exercised by the Commission, its mounting usurpation of power, the exercise by it of legislative function, its power in certain instances to sit in review of its own activities, the mental attitude that it exhibits toward the securities business indicating a belief it is dealing with a diseased body—adding all these together we have little reason to hope that the Securities and Exchange Commission—as now constituted and with its present abuse of power, will be of any assistance to small business.

The least that should be done by Congress to insure small business being readily able to raise capital through the sale of securities is to enact legislation that will prohibit the SEC from promulgating a "disclosure" rule and from changing trade custom with respect to mark-up practices as it has been doing and which is responsible, in our opinion, in no small measure for there being a third less firms and branch offices in the investment field than was the case a few years back.

So far as the NASD is concerned, it should be deprived by Congress of the right to have a monopolistic rule prohibiting its members from giving discounts to non-members. It would then be a really voluntary association.

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Domestic Airlines—Earnings for 1944 and outlook—**Eisele & King, Libaire, Stout & Co.**, 50 Broadway, New York 4, N. Y.

Effect of Debt Retirement and Refunding Operations Upon the Longer-Term Outlook for Railroad Equities—Memorandum—**H. Hentz & Co.**, 60 Beaver Street, New York 4, N. Y.

Florida Bonds, Quotations and Information — Tabulation — **Clyde C. Pierce Corp.**, Barnett Building, Jacksonville 1, Fla.

How Soon Will Taxes Be Reduced?—Memorandum on Federal budget and its influence on the stock market—**H. Hentz & Co.**, 60 Beaver Street, New York 4, New York.

ICC Comment on 1945 Railroad Operations—A summary—**Vilas & Hickey**, 49 Wall Street, New York 5, N. Y.

Leading Banks and Trust Companies of New York—Comparative figures as of March 31, 1945—**New York Hanseatic Corp.**, 120 Broadway, New York 5, N. Y.

Monthly Stock and Bond Summaries—May be had at a cost of $72 each per year, or a total of $144 a year for the complete service which includes two cloth bound volumes and ten paper bound issues—a special free trial offer is available—**National Quotation Bureau**, 46 Front Street, New York, N. Y.

Oil in War and Post-War—Memorandum on the oil industry with statistics on some of the leading units — **Thomson & McKinnon**, 231 South La Salle Street, Chicago 4, Ill.

Outlook for Oil—Discussion of current position of oil stocks as related to the intermediate and post-war outlook for the petroleum industry—**E. F. Hutton & Co.**, 61 Broadway, New York 5, New York.

Place for Common Stocks in the Investment Portfolio—No. 200 in Oliphant's Studies in Securities—**Jas. H. Oliphant & Co.**, 61 Broadway, New York 6, N. Y.

Railroad Equipment Industry—Descriptive circular — **Hirsch & Co.**, 25 Broad Street, New York 4, New York.

Road to Serfdom—A condensation from the book by Friedrich A. Hayek, reprinted from the April Reader's Digest — **B. S. Lichtenstein & Co.**, 99 Wall Street, New York 5, N. Y.

What's Bearish About Peace?—An article prepared by **John J. O'Brien & Co.**, 231 South La Salle Street, Chicago 4, Ill.

Alabama Great Southern RR.—Descriptive circular — **Adams & Peck**, 63 Wall Street, New York 5, New York.

Aetna Life Insurance—Descriptive memorandum — **Charles W. Scranton & Co.**, 209 Church Street, New Haven 7, Conn.

Also available are memoranda on **American Hardware Corp., Scovill Manufacturing Co., Torrington Co., Connecticut Light & Power Co., Connecticut Power Co., Hartford Electric Light Co., United Illuminating Co.**

American Bantam Car—Circular on this situation—**Hoit, Rose & Troster**, 74 Trinity Place, New York 6, N. Y.

American Hardware — Special study—**Goodbody & Co.**, 115 Broadway, New York 6, N. Y.

Associated Electric Co. — New analysis in light of recent events—**Peltason, Tenenbaum Co.**, Landreth Building, St. Louis 2, Mo.

Benguet Consolidated Mining Co. — Analysis — **F. Bleibtreu & Co., Inc.**, 79 Wall Street, New York 5, N. Y.

Boston Terminal 3½s of 1947—Analytical report describing reorganization status and proposed plan—**Greene & Co.**, 37 Wall Street, New York 5, N. Y.

Canadian Pacific RR.—An analysis—**Wechsler & Co.**, 120 Broadway, New York 5, N. Y.

Central Hanover Bank & Trust — Bulletin — **Laird, Bissell & Meeds**, 120 Broadway, New York 5, N. Y.

Central Iron & Steel—Bulletin on recent developments—**Lerner & Co.**, 10 Post Office Square, Boston 9, Mass.

Also available are circulars on **Kingan & Co.** and **Riverside Cement.**

Chicago, Milwaukee, St. Paul & Pacific Railroad—Complete arbitrage proposition—**Sutro Bros & Co.**, 120 Broadway, New York 5, N. Y.

Cross Co. Common Stock—Analysis of reasons for considering this an attractive low-priced situation—**F. H. Koller & Co., Inc.**, 111 Broadway, New York 6, N. Y.

Also available are memoranda on **Liquidometer Corp., Great American Industries, Hartman Tobacco** and **New Bedford Rayon.**

Crowell Collier Pub.—Special research study—**Goodbody & Co.** 115 Broadway, New York 6, N. Y.

L. A. Darling — A "post-war baby"—Complete analysis—**Allman, Moreland & Co.**, Penobscot Building, Detroit, Mich.

A. De Pinna Company—Descriptive circular—**Herrick, Waddell & Co., Inc.**, 55 Liberty Street, New York 5, N. Y.

Detroit Harvester Co.—Review of the situation—**Reynolds & Co.**, 120 Broadway, New York 5, N. Y.

Electronic Co. Common—Report discussing this stock as an attractive low-priced dividend payer—**Hughes & Treat**, 40 Wall Street, New York 5, N. Y.

Garrett Corporation—Brochure and statistical information, available to dealers—**Fred W. Fairman & Co.**, 208 South La Salle Street, Chicago 4, Ill.

General Industries Co. — Detailed discussion of position and outlook — **Mercier, McDowell & Dolphyn**, Buhl Building, Detroit 26, Mich.

Also available is a report on **National Stamping Co.**

Albert Frank-Guenther Law, Inc., preferred stock—Circular—**George R. Cooley & Co., Inc.**, 52 William Street, New York 5, N. Y.

Gruen Watch common—Memorandum—**Buckley Brothers**, 1529 Walnut Street, Philadelphia 2, Pa.

Also available are circulars on **Western Light & Telephone** and **United Printers & Publishers.**

M. A. Hanna Co. and **Hooker Electro Chemical** — Engineering field reports available—**Herzog & Co.**, 170 Broadway, New York 7, N. Y.

Interstate Aircraft & Eng. Co.—Descriptive circular — **Hirsch & Co.**, 25 Broad Street, New York 4, New York.

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(Continued on page 1719)

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(Continued from page 1718)

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Macfadden Pub. Inc.—Descriptive circular—**C. E. de Willers & Co.,** 120 Broadway, New York 5, N. Y.

Magnavox Company—Brochure and statistical information, available to dealers—**Fred W. Fairman & Co.,** 208 South La Salle Street, Chicago 4, Ill.

P. R. Mallory & Co., Inc.—Analytical discussion — **Steiner, Rouse & Co.,** 25 Broad Street, New York 4, N. Y.

Marmon Herrington, International Detrola, Leece Neville, American Barge Line, Foote Bros. Gear & Machine Corp., and **Steel Products Engineering** — Memoranda — **Straus & Blosser,** 135 South La Salle Street, Chicago 3, Illinois.

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Merchants Distilling Corp. and **Standard Silica Corp.**—Recent analysis—**Faroll & Co.,** 208 South La Salle Street, Chicago 4, Ill.

Morris & Essex 3½s of 2000—Descriptitve circular — **Adams & Peck,** 63 Wall Street, New York 5, New York.

National Candy Co.—A pamphlet describing the business, entitled **"An Investment in the Corn Products Industry"** — **Newhard, Cook & Co.,** 4th & Olive Streets, St. Louis 2, Mo.

National Candy Co.—Analytical discussion—**O. H. Wibbing & Co.,** 319 North Fourth Street, St. Louis 2, Mo.

National Radiator Co.—Analysis, for dealers only—**C. E. Unterberg & Co.,** 61 Broadway, New York 6, N. Y.

Oxford Paper preferred & common — Analytical study — **Goodbody & Co.,** 115 Broadway, New York 6, N. Y.

Panama Coca-Cola—Discussion of this situation—**Hoit, Rose & Troster,** 74 Trinity Place, New York 6, N. Y.

Pfaudler Co. — Recent analysis discussing outlook for the company which manufactures glass lined and stainless steel tanks and equipment — **Caswell & Co.,** 120 South La Salle Street, Chicago 3, Ill.

Pickering Lumber Corp.—Analytical circular — **White & Co.,** Mississippi Valley Trust Building, St. Louis 1, Mo.

Pittsburgh & Lake Erie RR. Co. —Memorandum on outlook — **B. W. Pizzini & Co.,** 25 Broad Street, New York 4, N. Y.

Pittsburgh Railways — Current study—**First Colony Corporation,** 70 Pine Street, New York 5, N. Y.

Public National Bank & Trust Company—Analysis and current notes—**C. E. Unterberg & Co.,** 61 Broadway, New York 6, N. Y.

Reed Drug Co.—Discussion of class A convertible stock for income and possible appreciation, and the common stock as a speculation—**First Colony Corporation,** 70 Pine Street, New York 5, N. Y.

San Diego Gas & Electric Co.—Discussion of income possibilities —**Maxwell, Marshall & Co.,** 647 South Spring Street, Los Angeles 14, Calif.

Schenley Distillers Corporation —Brochure of articles they have been running in the Chronicle—write to Mark Merit, in care of **Schenley Distillers Corporation**. 350 Fifth Avenue, New York 1. N. Y.

Seaboard Railway Company—Complete arbitrage proposition on request—**Sutro Bros. & Co.,** 120 Broadway, New York 5, N. Y.

Segal Lock—Post-war outlook—**Simons, Linburn & Co.,** 25 Broad Street, New York 4, N. Y.

Serrick Corp. class A—Current bulletin—**Sills, Minton & Co., Inc.,** 209 South La Salle Street, Chicago 4, Illinois.

Stromberg-Carlson — Descriptive circular—**J. F. Reilly & Co.,** 111 Broadway, New York 6, N. Y.

Also available are circulars on **Bowser, Inc.,** and **Foundation Co.**

TACA Airways SA.—Discussion of attractive prospects for return and appreciation—**Ward & Co.,** 120 Broadway, New York 5, N. Y. Also available are late memoranda on:

Du Mont Laboratories "A"; Great American Industries; Massachusetts Power & Light $2 preferred; Majestic Radio; Magnavox Corp.; Electrolux; Brockway Motors; Scovill Mfg.; Bird & Sons; Riley Stoker; Alabama Mills, Inc.; American Hardware; Douglas Shoe; Hartford-Empire; Maine Central Pfd.; Purolator; Moxie; Southeastern Corp.; United Piece Dye Works; S. F. Bowser; Detroit Harvester; Boston & Maine; Buda Co.; Deep Rock Oil; Federal Machine & Welding; Gleaner Harvester; Liberty Aircraft Products; Lamson - Sessions; Berkshire Fine Spinning, Bowser, Inc.; New Jersey Worsted; Mohawk Rubber Co., and **P. R. Mallory.**

Wellman Engineering Co.—Descriptive circular — **Simons, Linburn & Co.,** 25 Broad Street, New York 4, N. Y.

Wilmington Chemical Corporation—Descriptive circular—**Hill, Thompson & Co., Inc.,** 120 Broadway, New York 5, N. Y.

York Corrugating Co. — New statistical report — **First Colony Corporation,** 70 Pine Street, New York 5, N. Y.

Yuba Consolidated Gold Fields —Analytical discussion of possibilities for price enhancement—**Cartwright & Parmelee,** 70 Pine Street, New York 5, N. Y.

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Case of Avery & Co., Decided

New York Curb Exchange Exonerated

In a sweeping decision just rendered by the New York Supreme Court for New York County, Mr. Justice Shientag held that Avery & Company had failed to establish any cause of action against the New York Curb Exchange.

The action was based upon the alleged claim that two of the partners of the firm were illegally suspended from the Exchange, and that the Curb Exchange wrongfully ordered the dissolution of the firm, and upon the further assertion that after the dissolution, the Curb Exchange wrongfully refused to permit a member firm of the Exchange to employ Avery individually as its registered representative.

Court Criticizes Certain Rules and Practices of the Exchange

In the course of his opinion, Judge Shientag said:

> "The participation in the trial of Governors who were also members of the Committee on Stock Transactions which preferred the charges is a matter which has given the court deep concern."
>
> "So far as voluntary associations such as the Curb Exchange are concerned, the court is not at all impressed with the wisdom of permitting dual participation or with its necessity;***"

The court then goes on to point out that when the rules of a voluntary association are followed, the courts will not interfere with disciplinary action taken against a member solely because the charges are preferred by a member of the governing board which is to try the case.

Trial Methods Authorized by Agreement

Indicating that he was critical of the attitude of several of the members of the Board in connection with Avery's application for employment with a member firm after his firm had been dissolved, Mr. Justice Shientag nevertheless said that the great majority of those who voted against the application did so in good faith and were actuated by proper motives.

Holding that the punishment in this case, where concededly the accused were without knowledge of the wrongful conduct of their firm, was severe, Judge Shientag said that the result was warranted by the provisions of the Constitution to which they subscribed directly, and to which their firm also bound itself.

When interviewed, the attorney for Mr. Avery indicated that the decision would be appealed.

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Raymond Revell With Comstock & Company

CHICAGO, ILL. — Raymond F. Revell has returned to La Salle Street and is now associated with Comstock & Co., 231 South La Salle Street, in their trading department. In the past Mr. Revell was with Apgar, Daniels & Co.

Johnson With PaineWebber

(Special to THE FINANCIAL CHRONICLE)

ASHLAND, WIS. — J. Edwin Johnson has become associated with Paine, Webber, Jackson & Curtis. Mr. Johnson for the past nine years was connected with the Union National Bank of Ashland.

Business Man's Bookshelf

Along the Line in Illinois—Industrial Development Dept., Nickel Plate Road, Cleveland 1, Ohio —paper.

Banking—Albert Griffin—Monograph No. 53 in a series of Vocational and Professional Monographs—Bellman Publishing Company, Inc., 6 Park Street, Boston 8, Mass.—paper—$1.00.

Economic Stability in the Post-War World—The Conditions of Prosperity after the Transition from War to Peace—Report by the League of Nations—Serial No. 1945, II.A.s—Columbia University Press, New York City—paper (without index) $2.50; cloth (with index) $3.00.

Home Applicance Financing—Credit Requirements and Operating Procedure—Consumer Credit Department, American Bankers Association, 22 East 40th Street, New York 16, N. Y.—paper.

Kansas Manufacturing in the War Economy 1940-1944—L. L. Waters—Industrial Research Series No. 4, University of Kansas Publications, Lawrence, Kansas—paper.

National Budgets for Full Employment—National Planning Association, 800 Twenty-first Street, N. W., Washington 6, D. C.—paper —50c.

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Bond Club of Chicago To Hear Wm. Burden

CHICAGO, ILL. — The Bond Club of Chicago will hold a luncheon on Friday, April 20, at 12:15 p.m. in the Red Lacquer Room of the Palmer House. Guest speaker will be The Hon. William A. M. Burden, Assistant Secretary of Commerce. His subject will be, "The Place of Aviation in Our Post-War Economy."

Because of the broad general interest of the subject, members of the club may invite guests. The fee of two dollars for each guest should accompany reservations.

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Series F-1 Mortgage Certificates Representing 100% Ownership in 89 First Mortgages and 19 Fee Owned Properties Present an Interesting Picture for Analysis. Is Final Liquidation Near at Hand?

In 1935 when the Trustees were appointed by the Supreme Court of New York State to take over the 121 properties securing the New York Title and Mortgage Company, Series F-1 Certificates, the status of the assets taken over was quite varied as shown by the following classification:

First Mortgages Owned	34	$7,283,286.67
Fee Owned Properties	43	8,773,575.00
Properties Operated Under Rent Assignment	38	10,238,225.00
Properties Operated by Receivers	6	1,590,000.00
	121	$27,885,286.67

The following classification as of December 31, 1944 shows a very different picture:

First Mortgages Owned	89	$18,725,458.39
Fee Owned Properties	19	3,494,508.30
	108	$22,219,966.69

It is interesting to note from the above schedules that total assets have decreased more than $5,600,000 and that only 19 properties remain to be sold. Some properties have been sold for all cash and others for cash and purchase money mortgage, however, 13 of the original assets have been fully liquidated. Total assets sold to December 31, 1944 for which cash and purchase money mortgages were received were liquidated at 85.32% of original cost.

The fee owned properties still held and the book cost thereof is shown by the following schedule:

1	12-Story Elevator Apts.	$511,176.63
2	6-Story Elevator Apts.	518,600.00
8	5-Story Walk Up Apts.	1,472,181.67
3	Garage Properties	316,600.00
1	Theatre and Hall Prop.	455,000.00
2	Taxpayers	154,250.00
2	Vacant Parcels	66,700.00
19		$3,494,508.30

The investment in mortgages as of December 31, 1944 was mainly in the following classification of properties:

65	6-Story Elevator Apts.	$14,000,000
13	5-Story Walk Up Apts.	2,000,000
6	Loft Buildings	1,500,000

As the mortgages are in good standing and are being amortized, we believe it reasonable to assume that they are salable to institutions seeking an outlet for their mortgage funds. Should the remaining 19 properties be liquidated on a basis of 85% of cost and the mortgages around 90, the proceeds would be sufficient to distribute about 87% on the present $840.00 unpaid principal of each original $1,000 Certificate. This is in comparison to the present market of around 70.

Cunniff & Co. To Form; NYSE Members

Melvin Cunniff will acquire the New York Stock Exchange membership of George S. Elsaesser, as of April 26th, and will form Cunniff & Co., with offices at 41 Broad Street, New York City, in partnership with Jack Slifka. Mr. Slifka was a partner in Fagan & Co., in which Mr. Cunniff was a partner in the past.

R. M. Wright Opens Owns Office in N. Y.

R. M. Wright announces that as of April 23 he will open offices at 42 Broadway, New York City, to engage in the securities business. Mr. Wright was previously manager of the wholesale department of F. H. Koller & Co., Inc.

Walter V. Kennedy Is With Coffin & Burr

Coffin & Burr Incorporated, 70 Pine Street, New York City, announce that Walter V. Kennedy is now associated with them.

Mr. Kennedy was formerly manager of the Bond Department for A. M. Kidder & Co. and prior thereto was with Newman Bros. & Worms in a similar capacity. In the past he was with A. C. Allyn & Co., Inc.

Early Defeat of Japan Seen by General Hines

The Army's former Chief of Staff, General John L. Hines, said that he thinks the Japanese may give up its fight soon after Germany is beaten, it was made known in Associated Press dispatches from Cincinnati on April 12, which gave other comments of General Hines as follows:

"The Japanese War may end sooner than many people suspect," he said. "I wouldn't be surprised if they gave up shortly after the German collapse."

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The Securities Salesman's Corner

By JOHN DUTTON

Regardless of all else, the basis for success in the business of selling securities rests upon the salesman's ability to develop a close, friendly and confidential relationship with his clients. We have mentioned this many times in this column and despite all the other things which we have believed to be of interest to securities men, this subject keeps cropping up again as the most worthwhile and beneficial topic which we can discuss.

Confidence, confidence, confidence; it's the foundation of every worthwhile endeavor. Doubly so in the business of selling securities. How few people there are who know a good security from one that is unsound. Even fewer know something about values, or timing, or even understand the economic system in which they live and earn their living. Those of us who spend our lifetime dealing with the realities of profit and loss, acquainting ourselves with scientific progress in many fields, studying the manipulations of politicians, and analyzing business and economic trends, are often prone to OVERESTIMATE THE KNOWLEDGE ALONG THESE LINES WHICH IS POSSESSED BY OUR CUSTOMERS. Incidentally, a finished and efficient securities salesman is never a show-off or a super egotist. He knows too much about the vagaries of life to indulge in such a vulgar show. On the contrary, his very modesty and understanding prompts him to be charitable toward others and this also prompts him to overestimate his client's knowledge of securities.

This trait of overestimating the lay public's knowledge can handicap an otherwise capable salesman. To prove this point just think about the times in your own life when you have bought things about which you knew nothing. Or the times when you needed professional assistance, such as a doctor, lawyer, engineer, accountant or even a garage or radio mechanic? Just how much do you know about all of these things? What did you do? Did you try to analyze all the details of curing a sickness or of winning your lawsuit, or did you **gratefully** TURN THEM OVER TO YOUR DOCTOR OR LAWYER? You did this because you had confidence in someone else to help you do something you knew you were not equipped to do. THAT IS THE SAME WAY MOST PEOPLE FEEL WHEN THEY BUY SECURITIES, EVEN IF THEY WON'T TELL YOU SO.

The world is begging for people in whom it can believe, trust and rely. Investors don't want you to tell them why they should buy a particular security BY GOING INTO ALL THE BURDENSOME DETAILS WHICH MAY BE OF INTEREST TO YOU BUT TO THEM ARE ONLY A BORE. They don't want to argue with you—they want you to do the things which will cause them to believe in you.

What are the things that you must do to create confidence? Well, there are many things that must be done, but they all rest upon certain traits of personality. Personal integrity, sympathy for the other fellow's position, a desire to uphold high moral standards of conduct in your own personal life, your own deep conviction that a man is put in this world to help others by doing his task well whatever it may be, modesty regarding your own personal affairs, a personal interest in your fellow man that shines out of a man's personality and is obvious to any observer, doing the things you promise to do **when** you have promised them; IN OTHER WORDS—PERFORMANCE. These are some of the fundamental parts of a man's makeup THAT BEGET CONFIDENCE.

Such a salesman makes friends of his customers. When he talks with them he is non-technical in his conversation. He is not condescending nor is he too forward or too personal. HE FINDS OUT WHAT THEY ARE TRYING TO DO. IN HIS DESIRE TO HELP HIS CUSTOMERS DO A BETTER JOB FOR THEMSELVES AS FAR AS THEIR FINANCIAL AFFAIRS ARE CONCERNED, HE SKILLFULLY LEADS THEM TO TELL HIM ABOUT THEIR PROBLEMS AND EVEN THEIR WORRIES, PLANS AND AMBITIONS. Even the most astute investor with years of practical business experience can see at a moment whether a salesman has background, knowledge and experience which is BACKED UP BY THAT INTANGIBLE SOMETHING WHICH BEGETS CONFIDENCE. You can't put your finger on it but it is there—WHEN A MAN HAS LIVED AND SEEN LIFE AND AS A RESULT HAS BECOME A BETTER MAN FROM HIS EXPERIENCES, IT SHOWS IN HIS MANNER, IN THE THINGS HE SAYS AND EVEN IN HIS FACE. Poise comes from an inner coordination of a well-adjusted personality. Poise begets confidence. The man who has it is at peace with his world, has found his job, has found that his job is good; and it is so because he makes a point of achieving as great an efficiency in his work as it is possible for him to accomplish.

It is the man who takes pride in his job that develops this confidence on the part of his customers that leads to the top in this business as well as all others. He does the little things that count. He remembers that the other fellow wants to rely upon him and knowing this HE MAKES IT EASY FOR HIM TO DO SO. He does the things and says the things which make his customers say to themselves, "I'm glad I've got someone in whom I can rely." These are the men who are carrying the load today in the securities business. We need many, many more of them in the years ahead. We need men who will think of retailing securities as one of the finest vocations for public service that exists in this country. And it IS SUCH A BUSINESS!

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NOTE—*From time to time, in this space, there will appear an article which we hope will be of interest to our fellow Americans. This is an extra article of a series.*
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Springtime!

This recorder has just had an experience with his lawn that might be of interest to others who have a patch of green about their premises. We made a mistake, and we'll have to re-seed quite a plot. Here's the tale.

We bought a bag of commercial plant food—a most excellent product. We had used it before with perfectly wonderful results. But this time we used it *unintelligently*. We "overfed" part of our lawn and it got "acute indigestion"—very, very sick.

No, we didn't blame the product; that would be unfair. The truth is we bought some more of it, and we'll continue to use it as we have in the past—but *intelligently*.

You're right, dear reader—we're leading up to something. Take this matter of using alcoholic beverages, for instance. Like so many other products of nature, whiskey is used by millions of people—*moderately*, and by comparatively few, *immoderately*. So why blame the product for any lapses?

And that reminds me, too, that a neighbor got a second degree burn last summer from immoderate exposure to the blessed sunshine. We never heard him blame the sun, but you ought to have heard him blame himself. "I should have known better!" said he.

So here ends today's short musing. Hope you have a nice lawn this spring—but be careful!

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Post-War Home Building

(Continued from page 1715)

November a study of the country post-war housing needs. The study contains estimates of the number of new non-farm dwelling units that should be produced in the 10-year period 1946 through 1955 in order to accomplish certain purposes.

The primary need is ,obviously, the need for accommodating new nonfarm families, for families who migrate from farms, for servicemen's households to be established or re-established, and for undoubling of families. NHA estimates this primary need at 6,300,000 units for the 10-year period, or an average of 630,000 units a year.

If we assume this figure is correct for the primary need, anything you add to it represents your guess as to how many new units will be built as replacements of old units which will be destroyed, demolished or abandoned.

Demolition rates in the past have been fairly small. NHA states that from 1920 through 1939 they averaged about 40,000 units a year for the whole country. About half of these were destroyed by fire, flood and storm, the other half were deliberately torn down for one reason or another.

If you add this prewar demolition rate of 40,000 units a year to the primary need of 630,000 units, the resulting figure is 670,000 units a year, which you might call the reasonably certain post-war housing market. Whatever you add to that figure represents your bet as to how much the post-war replacement market will exceed the prewar replacement market.

For example, F. W. Dodge Corporation's estimate is 820,000 dwelling units a year for 10 years. That means that our guess on the replacement market is 190,000 annually in the post-war period, as compared with 40,000 annually in the prewar period. The widely publicized estimate of a million units a year would call for a replacement rate of 370,000 units.

The NHA study estimates total housing needs for the 10-year period at 12,600,000 units, or a production rate of 1,260,000 units a year. To realize this, a replacement rate of 630,000 units a year would be required, instead of the customary 40,000.

It should be pointed out emphatically that NHA did not publish these figures as forecasts, although many people have apparently interpreted them as such. They are estimates of needs, not market predictions.

NHA says, in effect, that it is highly desirable for many reasons to get rid of all the substandard housing in the country by 1965. To do this, we should eliminate half the substandard units by 1955. The number of nonfarm units to be scrapped in the next 10 years, in order to accomplish this purpose, would be 6,135.000 units over and above the 200.000 likely to be destroyed by fire, storm and flood.

Everyone, including the NHA, will agree that stepping up the replacement rate from 40,000 units a year to 630,000 units a year is a major undertaking. Desirable as the goal may be, I do not know who can at this moment predict with certainty that it will be attained.

Scrapping 610,000 houses a year means writing off capital assets at the rate of about a billion dollars a year; that estimate is my own. That is a sizable annual loss for our national economy to absorb; a billion dollars still looks like a lot of money to me. A replacement market of the size indicated in the NHA needs estimate is not going to just happen; it will have to be created by various kinds of positive action.

To be sure, the houses scheduled for the scrapheap are the least valuable in the country's inventory. More than a third of the units to be replaced, according to the NHA study, rented under $10 a month in 1940; another third from $10 to $19 a month. A full 90% of all the units rented under $30 a month. The NHA counted as substandard housing units to be replaced, for purposes of its study, all units units everywhere reported in the 1940 census as needing major repairs and all units in metropolitan districts reported as lacking private baths.

It can be pointed out that census enumerators reported opinions, not necessarily facts, in reporting needs for major repairs. They had no way of knowing or indicating whether such houses could be economically repaired or whether baths could be installed in any of the houses lacking them. The point of this is that the higher rents of the post-war period may very well encourage owners of some of these substandard houses to repair and modernize them, meeting a substantial portion of the estimated need that way. In other words, the NHA estimate of replacement needs may prove to be somewhat on the high side.

Many houses will be demolished to make way for nonresidential improvements, and the number demolished for this reason may be greater than in prewar times. By reason of our new financing of home mortgages, property owners have accustomed themselves to think in terms of depreciated values. Many owners of substandard properties will have to stand losses incurred by abandonment or demolition of houses that cannot be economically repaired and modernized. Local governments may adopt and enforce minimum standards for occupancy that would require either modernization or abandonment.

Replacement Rates to Be Increased

As indicated by our conservatively optimistic estimate. previously quoted, I think all these forces are likely to increase replacement rates over prewar. However, I do not think it will be possible to achieve the replacement rate estimated as desirable by NHA without subsidy programs of one kind or another for public housing and slum rehabilitation by Federal, State or local governments. Until we see such programs in effect we cannot count on the NHA's estimated replacement needs becoming an active replacement market.

I have analyzed these post-war residential building estimates at some length, because their number and variety has been confusing and because I think you, as business men, undoubtedly want a realistic basis for judging their value to you.

As state earlier, our post-war estimate is an average of 820,000 new nonfarm dwelling units a year during the first 10 years following the war. Ten-year average production in that amount would undoubtedly include several million unit years. As in all the estimates, dwelling units include single-family houses, housekeeping units in two-family and multi-family buildings, and new units created by converting or subdividing space in existing buildings. I would expect about two-thirds of the new units to consist of single-family houses.

I estimate roughly that the post-war market demand in the State of New Jersey will be for approximately 20,000 new nonfarm units a year.

Home ownership should increase greatly in the post-war decade; it usually does in periods of prosperity. In addition to the home-ownership incentives of our present-day home-mortgage financing, there are further incentives in the loan privileges for veterans contained in the GI Bill of Rights. I expect house building for owner occupancy, including houses built to owners' order and houses built by operative builders for sale, to revive before rental housing. Rental housing will not be undertaken until after rent ceilings are lifted, after investors know what post-war rents and construction costs will be, and after they know what income taxes, individual or corporate, they will have to pay.

The post-war residential building revival will, as we all know, take some time to get under way. Government controls will not be completely relaxed directly after X-Day. It has been stated that war production will then be cut back about 20%; a 20% cutback on war production will not permit unlimited civilian production. Many essential building materials will be short, principally lumber and fabricated metal equipment items. Even though price controls are likely to be continued until Japan is beaten, doubts about future construction cost trends may cause some people to hesitate about making commitments. The manpower situation may be spotty, with certain kinds of skilled building labor short in certain localities; right now there is a shortage of architectural and engineering draftsmen.

Upsurge in Repair and Modernization

Everyone expects to see the first upsurge of revival in the repair and modernization field. It is likely, in case restrictions are lifted on a piecemeal basis, that moderate-priced houses will be favored on account of present shortages. I expect houses in medium-price ranges to predominate in the early phases of the building revival. It is my guess that the number of new dwelling units that can be built in the first 12 months after X-Day will approximate 300,000 for the whole country. On the basis of our general regional allocation of housing market potentials for the post-war period, this would indicate 7,000 to 7,500 units for New Jersey in that first year.

Post-war prosperity and the increased house building activity that we all anticipate will tend to increase large-scale house-building operations; not, I believe, to the extent of causing large-scale operations to dominate the market.

An illustration from a pre-war year has a bearing on this point. The typical prewar house-building operation was fairly small scale. Analysis of a record of 110,800 single-family houses built in the year 1938, showed that 16% of the total houses were built by 279 large operators, large operators in this survey being defined as those who built more than 30 houses during the year. An equal percentage of the total was built by 17,351 builders who turned out just one house each during the year. Middle-sized operators, averaging not quite five houses each, turned out 68% of the total. In that year there were not many spots of concentrated housing demand calling for large-scale projects.

A different situation existed when the war housing program came along. Mass migration of workers created large concentrated housing demand in war production centers, and large-scale operations became necessary. Since war housing was limited to buildings to cost less than $6,000 with land, there will likely be hereafter concentrated markets in many of those centers for houses over the war-housing maximum. However, if the post-war housing market is to be sustained, if the high production estimates for the postwar period are realized, and very particularly if a huge replacement market develops, it will be necessary for home builders to continue their efforts to serve the low-cost market. Improvements and cost-reducing procedures will be a vital factor in sustaining the small-house market after the first wave of meeting urgent shortages is over.

No Miracle Houses

There is scarcely any need at this time to review the furore of a year and a half ago about the post-war miracle house, or to recount the debunking of that particular post-war dream. That was about the time when Elmer Twitchell, homespun philosopher, frequently quoted in H. I. Phillips' column in the New York Evening "Sun," remarked that all the post-war plans he had seen were blue prints either for a better world or a super cuckoo-clock. In 1943 the architectural and building magazines and the building-product manufacturers had to debunk the miracle house, and a very thorough job they made of their debunking. When it got to the point, about mid-summer 1944, when miracle houses had disappeared from all public prints except whisky ads, realism had finally come out on top.

Our own latest check on post-war building potentials was a survey among building-product manufacturers, who were asked to tell us about the materials and equipment they would offer in the post-war market. The replies we received from 255 presidents or other top executives from as many representative companies were listed in detail and also summarized in the December, 1944, issue of "Architectural Record."

(Continued on page 1739)

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United Illuminating Co.
Markets and memoranda on these Connecticut companies available on request

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Michigan Brevities

With a single exception, the largest bank stock offering in the history of the country, the $32,000,000 sale of National Bank of Detroit common by a syndicate headed by Morgan Stanley & Co., was an outstanding success. At this writing, about 90% of the offering has been placed by the underwriters.

It covered 759,550 shares of common at $42 a share and represented the holdings of General Motors Corporation in the bank, plus its share of 250,000 new shares which have been offered to present stockholders in a ratio of one for four, plus any additional shares which shall be unsubscribed by other stockholders. The rights expire May 2.

Walter S. McLucas, Chairman of the bank, has already reported that the underwriters have paid in the $10,000,000 in new capital.

From a Detroit angle, perhaps the outstanding news in the offering was the number of shares taken in Detroit and Michigan.

Hardest-hit city in the world during the banking holiday, Detroit's two big banks—the First National and Guardian National Bank of Commerce—never did reopen and thousands of stockholders paid in the double liability.

The manner in which the stock in the National Bank of Detroit was taken was a testimonial to the soundness of the bank and the policies of Walter McLucas, who came to Detroit from Kansas City to head the institution.

* * *

All Griswold Street mourned the death of Clark C. Wickey, Executive Vice-President of the Detroit Stock Exchange, late last month. Mr. Wickey, one of the best known figures in Detroit brokerage circles, joined the exchange back in 1923 and at one time was prominently mentioned for the post of paid President.

He played an important part in the organization of both the Better Business Bureau of Detroit and the Association of Stock Exchange Firms.

* * *

An Eastern group headed by Floyd Odlum has been one of the heavy buyers of Hudson Motor Car Company stock in recent weeks, reportedly accumulating upwards of 50,000 shares.

The annual Hudson meeting is May 20, and at that time Odlum's group will reportedly ask that David Baird, Vice-President of Marsh and McLennon, be placed on the Board.

A Dutch group, which holds nearly 200,000 shares, will also ask representation, it is understood.

Other large Hudson holders are the Webber family (Detroit's J. L Hudson Department Store owners) and Mrs. Roy Chapin, sisters of WPB's Carsten Tiedeman, who is now a director.

* * *

Sale of F. L. Jacobs Co.'s holdings in the Air Track Manufacturing, College Park, Md., to Aerodynamic Research Corp., was announced by President Rex C. Jacobs. He stated that the sale price was $637,000.

The individual purchasers of the subsidiary, which manufactures radio landing systems for airplanes and a variety of other war products, were Dr. Robert I. Sarbacher, who resigned recently as Vice-President of Maguire Industries, and Robert H. Bailey official of the First National Bank of Farmingdale, L. I.

Air Track, it is understood, has a backlog of about $12,000,000 of war business on its books and plans for the future include manufacture of electronics and radar. Dr. Sarbacher, scientist and Dean of the Graduate School of Engineering at Georgia Tech., was also consultant to Air Track.

The subsidiary was formed by Jacobs in February, 1939, a year after the Jacobs company had acquired W. I. T. Manufacturing for 19,750 shares of its common stock. Assets of W. I. T. were transferred to Air Track.

NY Stock Exchange Reports Debit Balance

As of the close of business on Saturday, March 31, total customers' net debit balances reported by member firms of the New York Stock Exchange carrying margin accounts, was $1,034,012,245. Of that amount, $109,270,238 represented credit extended to customers on U. S. Government obligations. The total of $1,034,012,245 includes all securities accounts, commodity accounts and all other accounts. It does not include debit balances in accounts held for other firms which are members of national securities exchanges, or "own" accounts of reporting firms, or accounts of partners of those firms.

Cash on hand and in banks, reported by firms carrying customers' margin accounts, exclusive of balances segregated under the Commodity Exchange Act, totaled $241,397,193.

Customers' free credit balances, as reported by member firms carrying margin accounts, amounted to $553,329,498. This figure does not include credit balances in regulated commodity accounts, or free credit balances held for other firms which are members of national securities exchanges, nor does it include free credit balances held for the accounts of reporting firms or of partners of those firms.

SEC Policy on Security Liquidation by Stockholders

in part for distribution for the account of selling stockholders. The text of the Commission's statement follows:

"Section 8 (a) of the Securities Act of 1933 provides that 'the effective date of a registration statement shall be the twentieth day after the filing thereof or such earlier date as the Commission may determine, having due regard to . . . the public interest and the protection of investors.' In passing upon request for acceleration of the effective date of

The Securities and Exchange Commission on April 7 issued a statement of its general policy regarding requests for the acceleration of the effective date of registration statements covering securities registered in whole or statements covering securities to be distributed for the account of selling stockholders, the Commission considers that the statutory standard is not met in cases where the selling stockholders does not bear his equitable proportion of the expense of registration, and for that reason will not order acceleration in such cases."

Donald Babbitt With Baker, Simonds & Co.

(Special to THE FINANCIAL CHRONICLE)

DETROIT, MICH.—Donald G. Babbitt has become associated with Baker, Simonds & Co., Buhl Building, members of the Detroit Stock Exchange. Mr. Babbitt in the past was a partner in D. G. Babbitt & Co. and was a partner and manager of the municipal department of Rathbun & Co.

Connecticut Brevities

There were three sales of municipals within the past month—the greatest number of offerings in this type of security in some time. The prices paid moved to new all-time highs. Heading the list were the Milford School bonds. On April 11, Day, Stoddard & Williams paid the Town of Milford 100.267 for $75,000 bonds carrying a coupon rate of ½ of 1%. The bonds were not reoffered publicly.

The Town of Bloomfield recently sold $150,000 bonds to Cooley & Co. for 100.1426 for a .90% coupon. The bonds mature $8,000 annually April 1, 1946 to 1955 inclusive, and $7,000 each year April 1, 1956 to 1965 inclusive, and were reoffered at prices ranging from a .35% basis to 99¼. These bonds were issued to finance the cost of changing the fiscal year and placing the town on a pay-as-you-go basis.

Also, on April 12, the City of New Britain sold $100,000 Sewer bonds due $10,000 each year May 1, 1947 to 1956 inclusive, to Tyler & Co., Inc. of Boston for 100.299—the bonds to carry a coupon rate of .70%.

* * *

Gross revenue of The Hartford Times, Inc., for the year ended December 31, 1944 was $2,453,357 compared to $2,348,743 for the preceding year, while the net was $288,682 and $296.514 respectively. On a per share basis, earnings on the 5½% preferred stock were $12.23 against $12.56 in 1943, while the common showed $2.24 against $2.32. Fixed charges were covered 5.84 times against 5.76 times.

* * *

The Farrel Birmingham Company reported net profit for the year ended December 31, 1944 of $1,266,719 compared with $1,272,014 or $7.92 against $7.95 a year ago. Approximately $250,000 was added to earned surplus, bringing the total of $2,600,000.

* * *

The Fafnir Bearing Company of New Britain showed net income for the year 1944 totalling $781,076. In addition the company has $1,000,000 in a War Contingency Reserve. Earnings were $4.88 against $13.23 a year ago. Hart & Cooley, Inc., a holding company which owns 50% of the capital stock of Fafnir Bearing, showed net income of $491,744 against $477,135 in 1943, or $6.15 per share compared to $5.96 respectively.

* * *

At their recent annual meeting the directors of New Britain Gas Light Co. elected A. H. Scott president and general manager.

* * *

The income account of the Bridgeport Gas Light Company for the year ended December 31, 1944 showed net income of $264,959 against $268,849 a year ago. Earnings per share on the capital stock were $1.46 and $1.48 respectively.

* * *

The Connecticut Gas & Coke Securities Co. showed net income of $448,355 for the year ended December 31, 1944 as compared with $434,087 a year ago. Earnings per share on the $3 preferred stock were $2.25 against $2.18 in 1943, while the common showed a deficit of 50c a share against a deficit of 54c.

* * *

The consolidated income account of the Greenwich Water System showed net income of $198,788 for the year 1944 against $210,325 the previous year. Earnings per share on the 6% preferred were $7.76 and $8.21 respectively.

* * *

Net income of the New Haven Railroad was $14,071,121 for the year ended December 31, 1944 against $22,901,437 in 1943. Fixed charges were covered 2.16 times compared with 2.76 times the preceding year, while overall charges were covered 1.68 times against 2.18 times respectively. The preferred stock showed earnings of $28.70 per share and the common stock $6.77 per share.

* * *

Plume & Atwood Manufacturing Company reported net income of $164,289 for the year ended December 31, 1944 as compared with $196,478 the previous year. Earnings per share on the capital stock were $3.04 and $3.64 respectively.

* * *

The April 2 bulletin published by the State Bank Commissioner listed fifty-seven railroad bond issues which have been added to the investments legal for savings banks in the State of Connecticut. Among the issues certified are included certain obligations of the following roads: Atlantic Coast Line Railroad Company, the Baltimore & Ohio Railroad Company, the Chicago, Burlington & Quincy Railroad Company, the Illinois Central Railroad Company, the Kansas City Southern Railway Company, the New York Central Railroad Company, the Northern Pacific Railway Company and the Pennsylvania Railroad Company.

Ball, Burge & Kraus Promotes Robbins; Adds Rank, O'Malley

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, OHIO. — Ball, Burge & Kraus, Union Commerce Building, members of the New York and Cleveland Stock Exchange, announce that William T. Robbins is now manager of their trading department. Mr. Robbins, who became associated with the firm in 1944 was formerly a partner in Robbins, Gunn & Co., and did business as an individual member of the Cleveland Exchange.

Malcolm S. Rank has become associated with the firm in Columbus. He has recently been an examiner with the State of Ohio Division of Securities. Prior thereto he was vice-president and trading manager for The Ohio Company and BancOhio Securities Co.

Patrick A. O'Malley, for many years with Hornblower & Weeks, has been added to Ball, Burge & Kraus' staff in Cleveland.

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SEC Statement on Modifying Restrictions On Publication of Financial Statements

The Securities and Exchange Commission desires to call attention to the provisions of War Department Circular 74[*], dated March 7, 1945, relating in part to a modification in the restrictions on publication of operating or financial statements by companies engaged in war production. The text of that portion of the circular concerning this subject follows:

II—Military Information.—

1. Companies engaged in war production are enjoined from publishing operating statements or other financial reports which would indicate any of the following data concerning production under classified War Department contracts: rates of production, total production, or production processes.

2. There is no objection, however, to companies showing their total earnings and total production by dollar value, subject to the following conditions:

a. Approximate production by number, quantity, or dollar value, of a particular article under a classified contract will not be disclosed. (It will be conclusively presumed that the approximate production rate of a particular article is shown if that article comprises more than 75% of the company's production.)

b. Future operational plans or intentions will not be directly or indirectly disclosed.

c. Special restrictions on the publication of total production by dollar value have not been imposed by the responsible procurement agency because of the extreme secrecy of particular contracts. (Procurement agencies of the War Department are directed to inform the contractors if the extreme secrecy of any contract makes undesirable publication of any or all of the data listed in paragraph 3.)

3. Subject to the above restrictions companies may issue—

a. Quarterly statements showing by total dolalr value the following:

(1) Volume of unfilled orders at the beginnning of the period.
(2) New orders booked during the period.
(3) Cancellation, adjustments, and cut-backs during the period.
(4) Orders filled during the period.
(5) Volume of unfilled orders at the close of the period.
(6) Finished goods on hand.
(7) Work in progress.
(8) Raw materials and supplies (one item).

b. Quarterly statements of total earnings.

c. Annual reports and prospectuses showing by percentage how much of the total dollar sales was derived from goods manufactured through the use of facilities which will not require substantial reconversion for peacetime use, provided the percentage is not within 25 points of the percentage relationship of any particular classified product's dollar value to the total dollar value of all goods sold by the company.

4. Special reports covering any period shorter than 3 months and any questions concerning the application of these instructions to particular facts will be referred to the Director, Bureau of Public Relations, War Department, Washington 25, D. C., who when necessary will consult with the procurement or other agencies concerned.

5. Section IV, Circular No. 407, War Department, 1944, pertaining to the aforementioned subject, is rescinded.

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[*] "Effective until 7 September 1946 unless sooner rescinded or superseded."

Bell & Howell Common And Preferred Offered

An underwriting group headed by Harriman Ripley & Co., Inc., on April 18 offered 30,000 shares of the Bell & Howell Co.'s 4¼% cumulative preferred stock ($100 par), and 150,000 shares ($10 par) common stock. The preferred was priced at $103.50 a share and the common at $15 a share.

Net proceeds from the sale of the preferred stock will be added to the company's general funds. It is planned that the company purchase in the immediate post-war period from the Defense Plant Corporation the Lincolnwood, Ill., plant now being operated under lease, at approximately $1,950,000.

The common stock offered is outstanding and was sold to the underwriters by certain stockholders including J. H. McNabb, President. None of the proceeds from the common shares will be received by the company.

Associated with Harriman Ripley & Co. in the offering of both the preferred and common shares are Lehman Brothers; Kebbon, McCormick & Co.; A. G. Becker & Co., Inc.; William Blair & Co.; Bacon, Whipple & Co.; Paul H. Davis & Co., and Hemphill, Noyes & Co.

Russell Gooding V.-P. Of O. H. Wibbing Co.

ST. LOUIS, MO.—Russell H. Gooding has been elected vice-president of O. H. Wibbing & Co., Security Building, members of the St. Louis Stock Exchange. He has been with the firm and its predecessors for ten years.

Dobbins With Slayton Co.

(Special to THE FINANCIAL CHRONICLE)

KANSAS CITY, MO.—Lester C. Dobbins, previously with Pratt & Whitney, is now affiliated with Slayton & Co., Inc., 111 North Fourth Street, St. Louis, Mo.

To Admit Himme

Wm. M. Rosenbaum & Co., 285 Madison Avenue, New York City, members of the New York Stock Exchange, will admit George Himme to partnership on May 1st. Mr. Himme became associated with the firm in December 1944.

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Missouri Brevities

North American Company Ordered to Divest St. Louis County Gas

North American Company has been ordered to divest itself of the St. Louis County Gas Company, a wholly owned subsidiary. North American, in requesting that it be permitted to retain the gas company as an additional system along with the integrated electric system of Union Electric of Missouri and its subsidiary, argued that severance of the electric and gas properties would result in the loss of substantial economies arising from joint ownership, such as common executive officers and directors, offices, and tax savings made possible through consolidated returns.

The SEC stated that, in their opinion, it was highly unrealistic to expect vital competition between the two types of service when controlled by the same interests; that the tendency of joint control is to favor that business in which it is most interested and which is most profitable.

Laclede Gas Light Co., whose common stock was recently sold to the public, is expected to have an interest in acquiring the property.

National Candy Company

National Candy continues to feature trading activity on the St. Louis Stock Exchange having sold at new high levels in recent sessions. An interesting pamphlet describing the company's business, and entitled "An Investment in the Corn Products Industry," has been prepared by Newhard, Cook & Co., St. Louis. Copies are available to dealers.

Recent Underwriting Activities

Several Missouri dealers were members of the underwriting group headed by **Blyth & Co., Inc., of New York** offering $80,000,000 **Pacific Gas & Electric** first and refunding mortgage 3s due 1979. included were **Newhard, Cook & Co.; Smith, Moore & Co.; Stifel, Nicolaus & Co., Inc.; Stix & Co.,** and **G. H. Walker & Co.**

Kidder, Peabody & Co. and **Huff, Geyer & Hecht of New York** and **G. H. Walker & Co. of St. Louis** offered 75,000 shares of **American Automobile Insurance Company** common stock.

Morgan Stanley & Co. of New York headed an underwriting group offering 250,000 shares of **Anderson Clayton & Co.** common stock. Missouri dealers included **Stern Brothers & Co. of Kansas City and Newhard, Cook & Co.** and **G. H. Walker & Co. of St. Louis.**

Goldman Sachs & Co. of New York headed the underwriting group which offered 150,000 shares **May Department Stores** $3.75 cumulative preferred stock. Missouri dealers included **Dempsey, Tegeler & Co.; Edward D. Jones & Co.; Newhard, Cook & Co.; Reinholdt & Gardner; I. M. Simon & Co.; Smith, Moore & Co.; Stifel, Nicolaus & Co.; Stix & Co.,** and **G. H. Walker & Co., all of St. Louis,** and **Stern Brothers & Co. of Kansas City.**

Halsey, Stuart & Co. Inc. headed the underwriting group offering $50,000,000 **New York Power and Light** first mortgage 2¾s, 1975. Missouri dealers included **Metropolitan St. Louis Company; Newhard, Cook & Co.; Reinboldt & Gardner; I. M. Simon & Co.; Stifel, Nicolaus & Co.,** and **Stix & Co., all of St. Louis,** and **Baum, Bernheimer Company** and **Stern Brothers & Co. of Kansas City.**

Morgan Stanley & Co. of New York headed by the underwriting

(Continued on page 1731)

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President Truman's First Press Meeting

President Truman held his first press conference on April 17 and expressed his desire to confer with leaders of the United Nations, endorsed the Bretton Woods international financial agreements, declared for a continuation of the reciprocal trade policy, and said he would support the San Francisco conference of the United Nations from Washington but would not attend it personally, it was made known in a special dispatch from Washington on April 17 to the New York "Times" by Bertram D. Hulen, who also said:

Speaking crisply and frankly to the correspondents at the White House on both foreign and domestic issues, the President also declared that the curfew and other restrictions, including the ban on horse racing imposed by James F. Byrnes when he was Director of War Mobilization, would be continued.

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Railroad Securities

Chicago & North Western 5% Preferred

Of all Section 77 reorganizations, both those already completed or in process of emerging from reorganization, that of the North Western was one of the most severe, fixed debt being reduced 70.53% and fixed interest charges reduced 75.08%.

This is well known in financial circles. Net so well known is the extent to which charges have been reduced since completion of reorganization last July, through application of large working capital balances, through debt reduction and through interest savings from refunding the old 1st 4s. Such reductions in both senior obligations and interest charges have been almost as severe as in the earlier reorganization. Since last July all but $6,224,000 of the $48 million RFC loan has been paid off and funds have currently been reserved for the payment of the RFC loan on July 1st. Through payment of these RFC loans valuable collateral has been released, chiefly its holdings of the 100% owned Superior Coal Co., and when the RFC loan is finally liquidated next July North Western will obtain full possession of all of its Omaha holdings, consisting both of the bonds, owned 100%, and the equity, 93.66% owned. These Omaha holdings are now a valuable asset.

As a result of payment of the RFC debt a capitalization considered virtually impervious to depression influences was further streamlined through non-issuance to the RFC of the following securities:

$7,783,180	1st mortgage 4s, 1989
12,114,530	income 4½s, 1999
15,543,462	5% preferred ($100 par)
23,259,863	common ($100 par)

The results of the non-issuance of these securities, together with retirement of the RFC debt has resulted in a startling metamorphosis in the company's capitalization. This is clearly delineated by tabulating the capitalization of all three companies, the first being that of the old company prior to reorganization, the second that of the company as reorganized by the ICC and the third the existing capitalization after the financial changes referred to:

TABLE I
Chicago & North Western—Capitalization

	Old Company	As proposed originally by I. C. C.	As of 2-1-45 (see text)
Equipment Trust Obligations	$11,678,000	$19,590,000	$21,076,000
Other Fixed Interest Obligations	362,658,465	90,698,462	54,000,000
Total Fixed Debt	$374,336,465	$110,288,462	$75,076,000
Contingent Interest Debt	None	105,058,904	89,651,000
Total Fixed and Contingent Debt	$374,336,465	$215,347,366	$164,727,000
	Shares	Shares	Shares
Preferred Stock	223,950	1,069,960	914,526
Common Stock	1,584,402	1,077,997	816,302

That further debt reduction is probable is suggested by analysis of the balance sheet as of Dec. 31, 1944. At that time current assets totaled $71.5 million, current liabilities $51.3 million, so that working capital amounted to only $20.2 million. However, special reserve funds not listed under current assets, totaling $28,215,000, were available for both capital improvements and/or debt retirements. Of the $28.3 million, $23.3 million was segregated in the Capital Fund, the bulk of which was invested in U. S. Government securities. These working capital figures do not include those of the controlled Omaha. Working capital of the latter amounted to $6.64 million as of Jan. 31, 1946.

Since the First Mortgage bonds recently refunded on a 3% coupon basis are selling at 101¾, and the Income 4½s at 90 are limited in appreciation by their call price of 101⅛, the investor is obviously now turning to the 5% Preferred stock, selling currently at 62, at which level the excellent yield of 8.06% is afforded.

There are currently outstanding 914,526 shares of this Preferred ($100 par value). The dividend is cumulative only to the extent earned. The preferred participates with the common up to $1 after the common pays $5 and is convertible into the common share for share. These provisions are of slight importance to the investor as of today, although they do represent a valuable call for the post-war era in the event that railroad earnings should, as is thought in some quarters, duplicate those of the late 20s. As a plain preferred, ignoring the convertible or profit-sharing features, its value is indicated by applying past earnings for selected years to its present capitalization and for purposes of comparison projecting estimated post-war earnings in a so-called normal year.

TABLE II
Earnings as Applied to Current Capitalization

	1939	1941	1943	1944	Post-War Estimate
	(000 omitted)				
Available for Fixed Charges	$7,255	$19,995	$31,755	$24,345	*$16,000
Fixed Charges	2,039	2,039	2,039	2,039	2,039
Balance avail. for Income Bonds	$5,116	$17,956	$29,716	$22,205	$13,961
Income Interest	4,034	4,034	4,034	4,034	4,034
†Available for Preferred	$256	$12,996	$24,756	$17,346	$9,001
Preferred Dividend	4,572	4,572	4,572	4,572	4,572
Available for Common	----	$8,424	$20,184	$12,774	$4,429
Times Interest Earned 1st mtge. 3s	3.56x	9.81x	15.57x	11.94x	7.85x
Times Int. Earned inc. mtge. 4½s	1.29x	4.45x	1.37x	5.53x	3.46x
Overall Interest Coverage	1.19x	3.29x	5.23x	4.01x	2.63x
Earned per sh. on 914,526 pfd. shs.	$0.28	$14.21	$27.06	$18.97	$9.84
Earned per sh. on 816,302 com. shs.	----	$10.32	$24.72	$15.64	$5.42

*After Federal Income Taxes. †After deducting sinking fund of $270,000 for new 1st mortgage 3s and $656,000 for 2nd mortgage income 4½s.

N. B.—This table gives no effect to Capital Fund of $2.5 million annually nor to the incidence of Federal Income Taxes in years prior to 1943. As a credit against Capital Fund there will be allowed the amount charged to the newly established depreciation of ways and structures account (1-1-1943) which should offset most, if not all, of this Capital Fund.

Earnings during these years did not include those of the Omaha which during the war period have averaged approximately $3 million annually and which under normal conditions post-war might well average $1 million annually. Since Oct. 1, 1944 the Omaha has paid to the North Western, the parent company, approximately $9.4 million, in part representing principal on open account indebtedness and the balance interest accrued in the company's account prior to reorganization.

The earnings table indicates adequate coverage during the war period and a coverage of almost two times in our estimated post-war year, without giving effect to further debt retirement from excess cash resources presently on hand. With the pressure of investment funds making possible refundings at lower yields, the investor must of necessity turn to stocks of this character if he is to obtain a high yield reasonably well protected. We believe the stock attractive for investors in a position to undertake a moderate risk.

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Broker-Dealer Personnel Items

If you contemplate making additions to your personnel please send in particulars to the Editor of The Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)
COLUMBIA, S. C.—**Holt F. B. Watts** has joined the staff of **Kirchofer & Arnold, Inc.**, Insurance Building, Raleigh, N. C.

(Special to The Financial Chronicle)
WATERVILLE, MAINE—**Mrs. Beatrice L. Tyler** is with **R. H. Johnson & Co.**, 30 State Street, Boston, Mass.

President Truman Chooses Two Aides

Two young men to fill key positions in the White House staff were selected by President Truman on April 17, said Associated Press dispatches from Washington on April 17, which also had the following to say about the appointments:

Matthew J. Connelly, 37-year-old investigator for Congressional committees and recently Mr. Truman's executive secretary, was appointed as his confidential secretary.

The important post as secretary in charge of press and radio relations went to James Leonard Reinsch, 36-year-old radio executive from Atlanta, Ga.

At separate news conferences, the new secretaries said that they first met President Truman during his Senate career, Mr. Connelly as chief investigator for the War Investigating Committee in 1941 and Mr. Reinsch in 1943 while he was testifying on radio legislation at hearings by a Senate committee, of which Mr. Truman was a member.

Mr. Connelly was born Nov. 19, 1907, at Clinton, Mass., and Mr. Reinsch June 28, 1908, at Streator, Ill. The latter spent most of his life in Chicago and other Illinois cities until he became associated with the radio stations of former Gov. James M. Cox of Ohio, of which he was managing director at the time of his appointment. He started with Mr. Cox in 1934, when he went to Dayton, Ohio, to set up station WHIO of The Dayton Daily News for Mr. Cox. The other stations are WIOD of The Miami Daily News and WSB of The Atlanta Journal.

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International Bank Credit and The Bretton Woods Program

(Continued from first page)

to start with participations of $8,800 millions. Of this total $2,750 millions are to be subscribed by the U. S. A. and $300 millions by Canada, both of which are supposed to become creditors of the fund. This leaves $5,750 millions for the potential debtors. The I.M.F. allows each country to draw 25% of its quota per annum but never more than the full quota. In other words, if all countries but the U.S.A. and Canada were to use the fund to the utmost, the credit in the first year could not amount to more than $1,437.5 millions and the same increase in the second year; bringing the debit balance to $2,875 millions or practically exhausting the total of the two supposedly solitary creditors.

In no case could the total of debit balances (exclusive of loans against gold which we can neglect) surpass $4,400 millions, i.e., the debit balances are naturally limited to an equal amount of credit balances of other countries.

But much more informative than these global figures are the data for the various nations and groups of nations. As far as I can see these detailed figures have not been put into the right light.

	—In Million Dollars— Maximum Debit Per Annum	Maximum Total Debit
British Empire Excluding Canada—		
United Kingdom	$325.00	$1,300
Australia	50.00	200
New Zealand	12.50	50
Union of South Africa	25.00	100
India	100.00	400
	$512.50	$2,050
Western and Northern Europe—		
France	$112.50	$450
Netherlands	68.75	275
Belgium	56.25	225
Luxembourg	2.50	10
Norway	12.50	50
Iceland	0,25	1
	$252.75	$1,011
Eastern Europe—		
Czechoslovakia	$31.25	$125
Poland	31.25	125
Yugoslavia	15.00	60
Greece	10.00	40
	$87.50	$350
Latin America—		
Bolivia	$2.50	$10
Brazil	37.50	150
Chile	12.50	50
Colombia	12.50	50
Costa Rica	1.25	5
Cuba	12.50	50
Dominican Republic	1.25	5
Ecuador	1.25	5
El Salvador	0.625	2.5
Guatemala	1.25	5
Haiti	1.25	5
Honduras	0.625	2.5
Mexico	22.50	90
Nicaragua	0.50	2
Panama	0.125	0.5
Paraguay	0.50	2
Peru	6.25	25
Uruguay	3.75	15
Venezuela	3.75	15
	$122.375	$489.5
Philippines	$3.75	$15
Russia	$300.00	$1,200
China	$137.50	$550
Africa and the Middle East—		
Egypt	$11.25	$45
Iran	6.25	25
Iraq	2.00	8
Ethiopia	1.5	6
Liberia	0.125	0.5
	$21.125	$84.5

In other words, the fund allows the United Kingdom $325 millions per annum "overdraft," to use the English term, and all western and northern continental Europe another $250 millions. All Latin America about $125 millions, ranging from very small sums, as for instance, $1.25 millions for Guatamala to $37.50 millions for Brazil.

Nobody can believe that these amounts will in any way suffice to stabilize currencies or bring about a normal flow of international trade.

Russia, with a gold production of about $200 millions per annum and normally self-sufficient in foodstuffs and many commodities, is financially better able to carry a large loan than many other countries. With Russia the credit becomes a pure question of political confidence.

The Chinese question is too obscure for somebody who is not familiar with the Far East to be discussed. Certainly her needs are far greater than the meager loan facilities of the I.M.F.

The economic needs of each of the 44 countries who will be members of the I.M.F. cannot be discussed here in detail.

II

The man in the street is always impressed if one talks of millions, whether of millions of dollars or millions of tons of steel or millions of bushels of wheat. But even the expert reader may wish to have a yardstick for the figures of the potential credits which we have enumerated.

The true yardstick is the extent of foreign trade. In 1937 world foreign trade amounted to about $25 billions (paper dollars at $35 per ounce gold) in import as well as export. In 1929 the trade was about one-third higher in old gold dollars of $20.67 per ounce. The less than $1.5 billion credit lines open in the first year of the I.M.F., therefore, amount to not more than 6% of the former foreign trade. At the present level of commodity prices this percentage is considerably less, and if one speaks of the accumulated import needs of the world, these credits constitute an almost fantastically small proportion of the goods to be moved from one country to another.

In olden times, i.e., before 1914 and to a certain extent in the inter-war period, Britain and the European continent and after 1918 also the U.S.A. financed most of the foreign trade at least for a three months period, in many cases of processing raw material or selling finished consumer goods to importers for six or nine months. Naturally there were oil companies sending their goods to their own subsidiaries or General Motors selling their cars in foreign markets which did not need any outside financing. If they borrowed short term money they did so on their general credit and not on the special export transaction.

Now some four billion dollars is the minimum which would be needed for the simple three months reimbursement credits of the world's international trade and eight billion dollars would be a legitimate amount, including the period of transforming commodities into finished goods and of marketing imported merchandise.

But let us investigate the position of the individual nations. We repeat that Britain cannot draw more than $325 millions from the I.M.F. in the first year. Her normal import was about four billion dollars; her export two to two and one-half billion. Financing both sides for only three months would give her $1.5 billions in the first year. This would at least solve part of her immediate problems. Extending the import credit to six months in the following year would add another billion dollars.

The figures for Belgium and The Netherlands give a similar picture on a smaller scale. France, who is intrinsically in a sounder economic condition than any other belligerent European nation, could be easily enabled to finance her foreign trade to a much greater extent than the $112 millions of the I.M.F. would provide in the first year.

III

When we say that the foreign trade of these countries could be financed by private banking, we presuppose the functioning of international finance, if not exactly in the old style, in a manner not less efficient than the methods of our fathers.

In order to find the right viewpoint for the future organization of world credit, one has to go back not to 1939, not to 1930 or even 1928, but to the period before the first World War. This was in fact the last period in which surpluses and deficits of international payments were easily settled by normal banking transactions. The system, while not at all perfect, worked so smoothly that it was called the "Automatism of Reaching an Equilibrium." As most economic phenomena, it was far from automatic action. It worked on the basis of certain objective facts through the psychological reactions on a few hundred bankers, some hundred thousand businessmen and millions of capitalists.

What were the fundamental facts of this pre-world war period?

(1) The western and central European countries had an active balance of payments (before capital transactions) and were able and willing to increase their foreign investments or credits almost year by year. The U.S.A., while still a debtor country, was not only increasing its domestic wealth in a quick pace but the ratio of foreign assets and liabilities was improving rapidly.

(2) The rich European countries owned large amounts of international securities which were dealt at various stock exchanges (Russian, Italian, Austrian, Turkish bonds, American bonds and shares). While the United States held few of such securities its own railway and industrial bonds and shares had a large market all over Europe. They could be sold or given as collateral in London and Paris, in Brussels and Amsterdam, in Berlin and Zurich.

(3) The currencies of the principal nations were on a gold basis. But even the countries which experienced currency trouble paid their regular commercial and banking debts in the gold currencies which they had borrowed.

(4) There was rightly no fear of political or social revolutions and wrongly no fear of a great war. Certainly no idea of a world war like the first one and even less of the dimensions of the present war.

On the basis of these facts, the leading financial centers had developed a favorable attitude toward international transactions. The bankers and businessmen of most European countries were willing to trust many foreign debtors not less than their own fellow-citizens either for obligations in the creditors' (or another gold) currency or for contracts in paper currencies which could easily be swapped, i.e., sold forward in the big financial centers. While economists studied Lord Goschen's Theory of Foreign Exchange and his exposition of the dollar fluctuations during the Civil War, as well as the fall of the ruble, and while the new generation of bankers listened attentively at the open fireplace to the stories of elderly London bankers about their experiences with Greece or Latin America around 1890, the European banker and capitalist looked favorably upon obligations of foreigners. In fact, the London market was more open for international credits and investments than for the financing of many British industries.

What will be the situation after this war is ended? Among the creditor nations, aside from the U.S.A., we will see Switzerland and Sweden with a good deal of international tradition. Other nations with an international credit balance may spend it quickly for their imports which will mean either a further strengthening of the American balance sheet or, if and when Europe can export enough, a help for England, Belgium, Czechoslovakia, etc. But one can certainly not expect a regular foreign financing from Argentina or India. Their wish to import capital goods or hoard gold and silver is too great to allow substantial help to other nations for any length of time. They may have a surplus of foreign assets under the war restrictions of foreign commerce but they do not produce a regular capital surplus for such purposes.

Any plan for the period of transition and beyond that has to provide capital (or credit) from nations with an international business mind. If you have this mind you need very little government organization. If it is lacking, either government must substitute for private enterprise or international trade will be restricted to a cash basis.

IV

It will need a good deal of adaptation to the creditor psychology if America is to fulfill her part in this international financing which, by the way, directly and even more indirectly has turned out to be an excellent business for Britain and other European countries.

Some part in the financing could be played by the American exporter and importer. Aside from the big manufacturing companies with foreign subsidiaries (oil, motors, shoe machinery, etc.) and the large importers of metals and certain other commodities, the American businessman so far has not been willing to undertake any credit risk outside his own country or at the utmost outside the North American continent. He wants to buy delivered U. S.

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April 18, 1945.

port, payment after arrival. He wishes to sell, payment in U. S. A. —at the latest against shipping documents, preferably before. If this worked, as long as there were other rich countries to undertake the financing, it will hardly do for the future. It will not give a chance of extending American business whenever a European merchant is at hand who buys and pays f.o.b. and sells at three to nine months' credit.

But the main task of financing foreign trade not only American export and import but the international commerce between the other nations can only fall on the banks of this country and of the few other creditor nations. Never in the world has there been anything comparable to the combined resources of the American commercial banks and never has there been so little opportunity for employing these funds in domestic credits in view of the enormous cash resources accumulated by industrial and railway companies.

This would make it easy to provide several billion dollars for foreign trade credits if the American banking system were one of a few large banks with branches all over the country. But with our legal system of local or at best state-wide banks, another approach to the problem is needed. It is true that the greatest banks of New York, Chicago, San Francisco show absolutely much higher deposits than any of the big five in England, the Credit Lyonnais, the Credit Suisse. But compared with the total of America, even the Chase, the National City and the Bank of America, do not represent the financial power of this country in a degree comparable to the Midland or Barclay, the Amsterdam'sche or the Societe Generale de Belgique.

Until now the business of foreign credits was practically confined to half a dozen New York banks, one Boston bank and perhaps the two leading Chicago institutions. It is impossible to find three billion dollars for foreign trade credits from these few banks which, despite their giant figures, hardly add up to 20% of the total American deposits. But it would be easy enough to gather such amounts if Philadelphia and San Francisco, Detroit and Pittsburgh, and many other cities including the other New York banks, down to the ones with a few million dollars capital and twenty to fifty million dollar deposits, take their share in the business.

Theoretically, this could be achieved by special syndicates or by bill brokers just as the domestic business was transacted in olden times, and to a certain extent still is. But in practice, it would not work—just as little as it worked at home in 1907 when the Westinghouse Electric, with an excellent balance sheet, had to ask for a moratorium because a few dozen small banks did not renew the hundred thousand dollar loans they were happy to offer a few months before—and again a few months later. There seems to be no other way to harness the full financial power of America for foreign business but to organize special banks for this purpose with the important local banks as stockholders and as buyers of acceptances of these new institutions. This seems the only method compatible with the present organization of American finance. In Britain, before 1914 and even in the inter-war period, a great share of this business was taken up by the merchant bankers whose acceptances were sought as prime paper by everybody who wished to employ cash reserves (insurance companies, building societies and many foreign institutions and capitalists). There is no use trying to duplicate their role as acceptance houses in this country. Legal, as well as psychological objections would retard such development for many years.

There is nothing in the Federal Reserve law which would prevent the banks to organize such special institutions for foreign trade and to become their shareholders and purchasers of acceptances.

The Chase, City, Guaranty, First Boston, etc., have to decide themselves whether they wish to become the leaders in such nationwide organizations or prefer to continue their foreign business independently, leaving it to the New York banks of smaller but still very large size and the out-of-town banks to organize these special institutions. But, irrespective of the form and method, the financing of world trade is waiting for the full cooperation of American banks. If they fail to give this cooperation, foreign trade will be restricted almost entirely to cash transactions and the small credits the neutrals and the impoverished belligerents can offer.

V

Can one expect, can one advise. the American banks to enter this field on a big scale? Are the risks bearable or is the aversion of typical American bank presidents against anything foreign justified?

One ought to distinguish between two different risks which are quite apart from each other: the ordinary credit risk, and the currency risk.

The Bretton Woods proposal for the I.M.F. knows only one debtor in every country; the state itself or its designated agency, the central bank of issue. It could not be otherwise. An organization of 44 governments cannot be expected to investigate the prospective debtor and even less to employ permanent controls of his status and his dealings. Private banks, with branches or representatives abroad, are able to judge the quality of loans, the way the debtor conducts his business and lives up to expectations. They may grant revolving import loans to the Imperial Chemical or the Margarine Unie upon the merits of their business. Except for the very best customers they may ask for a guarantee of a British or Dutch bank. In most cases, they may do the business joint account with the Midland, the Amsterdam'sche or the Credit Lyonnais.

There is no reason why these loans should turn out to be of a lesser quality than the credits given to domestic borrowers. Even during the great depression domestic debtors did not prove any better than foreign ones. There were decent people who got broke or at least illiquid in every country. And there were reckless borrowers and crooks here as well as abroad. The individual credits, even with a guarantee of domestic banks of the debtor country will turn out to be better placed than the lump sum credits of the I.M.F., the use of which can very rarely be scrutinized, despite the clauses of the Bretton Woods agreement.

Confining these international credits to normal imports would greatly reduce the danger that they would be used for long term investments. The provisions of the I.M.F. are clearly insufficient in this respect and would allow "Ruritania" to purchase industrial equipment on short term import credits. The private banker could see that capital goods except for replacement should be excluded from this financing and left to long term arrangements.

VI

But there is another risk which has become predominant and, as has been pointed out before, existed only to a very small degree before 1914 and even before 1931. that is the risk of currency restrictions.

Contrary to popular opinion the short term loans granted to continental European countries during the twenties were in the average not badly placed. While certainly every reduction of credit means business restriction they could have been repaid and in fact were to a considerable extent paid off by a decrease in inventories and accounts receivable. Perhaps this could not always be accomplished within the period of the loans but it was done on a pretty good scale—even if this deflation had the result of aggravating the depression.

But if Siemens or the I. G. Farben had to pay ten million dollars and were able and willing to do so either from dollar balances they held here or from their new export or by asking the Reichsbank for dollars against marks at 4.2 to the dollar or at 8.4 or whatever quotation—the transfer was stopped by order of the government on July 13, 1931. It was the same as if some debtor in America wanted to settle his debt of gold dollars of the old weight and fineness or in guilders as he had promised to his bondholders and was not allowed by the American government with the later approval of the Supreme Court to pay anything but paper dollars.

It is futile to pretend that the banks under present world conditions can shoulder this currency risk for large amounts. The only question is whether one crosses that bridge when one gets there or provides for the emergency beforehand.

On July 13, 1931, when Germany stopped all payments to foreign countries, the Bank of England had to intervene on behalf of the merchant bankers and some banks with considerable frozen assets on the continent. There was no previous provision for this case. The British simply adapted the measures taken on Aug. 4, 1914, to the new situation.

Probably not only Britain but many other countries could act in this informal way again, if necessary—as they live very well without a written constitution. It would not work in this country.

One cannot even for a minute imagine the Federal Reserve Board asking the holders of acceptances of private institutions to take renewal drafts for the time being, in fact in many cases for an unlimited period. The friendly "advice" of the Federal Reserve System would not have the desired result as it has in London and the law could not be changed without a long delay and before utter confusion had set in.

For this country at least the provisions have to be taken beforehand, in fact right now. The credit risk of foreign short term loans — revolving, but nevertheless in every single case short termed—is bearable for the banks if the currency risk is insured by the government, at least the excess risk above a certain sum or a certain percentage.

This point seems to be the basis for a compromise, even more so for a full cooperation between the banks and the government regarding Bretton Woods.

The I. M. F. as it is planned today does certainly not offer any inducement to grant private credits. It discriminates in favor of cash sales against the merchant or the bank which finances the import to a debtor country. When the annual quota is exhausted there is nothing left for the creditor and he has no priority in the following year against a new import which is being paid in cash. If the private banks supply in any one year more than the credits that the I. M. F. can furnish in three or more years there is no need to make use of the I. M. F. It would practically work "in being." Instead of a credit agency it would become a currency insurance fund for private creditors. It is true it could not immediately pay in full if after one year the banks would not renew their facilities. But there is no reason to believe that they would not do so. They even would pledge themselves beforehand to continue the loans on a revolving basis. But in the worst case the government could easily step in. If the granting of an import credit is noted in the books of the I. M. F. as giving priority to later imports, the government or its agency, whatever it may be, would do not more than advance the repayment for a moderate period, certainly not longer than three to four years.

Nobody is more aware than the writer of this article that even the large amount of three to five billion dollars which the banks of this country, Canada, the neutrals and perhaps some newly rich countries can provide are insufficient to finance the recovery of the world. But it will certainly be a better way to overcome the difficulties of the first year than the present proposals for the I. M. F. and it seems the only method to prevent the cessation of most international credits for fear that the I. M. F. would not supply the funds for repayment.

The real solution for the difficulties of Britain and western Europe can only be found in long term credits for which the International Bank for Reconstruction is certainly not sufficient. But this question has to be dealt with separately together with the problem if and when one may expect foreign credits and investments to be liquidated or even could wish to liquidate them.

This announcement is not an offer to sell or a solicitation of an offer to buy these securities. The offering is made only by the Offering Circular.

$5,500,000

Erie Railroad Company

First Consolidated Mortgage 2% Bonds, Series H

Dated March 15, 1945 — Due March 15, 1953

The issue and sale of these Bonds are subject to authorization by the Interstate Commerce Commission.

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The Offering Circular may be obtained in any State in which this announcement is circulated from only such of the undersigned and other dealers as may lawfully offer these securities in such State.

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April 18, 1945.

Soher, Morrill & Cullen To Be Partners in Walston, Hoffman Co.

SAN FRANCISCO, CALIF.—Hubert J. Soher, Clifton W. Morrill, and Daniel J. Cullen will become partners in Walston, Hoffman & Goodwin, 265 Montgomery St., members of the New York and San Francisco Stock Exchanges, as of May 1st.

Mr. Cullen and Mr. Soher were previously partners in H. R. Baker & Co., with which Mr. Morrill was associated as assistant sales manager.

T. L. Watson To Admit

T. L. Watson & Co., 40 Wall Street, New York City, members of the New York Stock Exchange, will admit Sylvester F. Hennessey to partnership on May 1st.

PERE MARQUETTE

PERE MARQUETTE RAILWAY COMPANY

In 1944 American railroads carried approximately double the daily load of the peak year (1918) at the time of the first World War. Net earnings, however, did not keep pace with increased service. This is explained by the fact that wages and prices continued to increase, and tax rates were at the highest levels in history, whereas freight and passenger rates remained substantially at prewar levels.

The Pere Marquette shared in this general trend. Operating revenues in 1944 were the highest in its history, exceeding those of 1943, the previous record year, by 2.27%. The increase in operating expenses, however—owing principally to wage increases and increased daily hours of employees, and higher costs of fuel, materials and supplies—was more than three times the increase in operating revenues.

Net income before railway tax accruals, but after deducting interest on debt and other miscellaneous items, was $10,176,875 in 1944. This compares with net income before railway tax accruals of $12,231,861 in 1943, a decrease of $2,054,986, or 16.80%.

Due to higher operating costs, railway tax accruals in 1944 were 16.81% lower than those of 1943, and net income was lower in almost exactly the same proportion. Net income in 1944 of $3,012,076 was less by $607,444, or 16.78%, than that of 1943. In both 1944 and 1943, net income before tax accruals was divided in the same way, with 70% going for taxes and 30% for the use of the railroad.

DEBT REDUCTION AND 1945 REFINANCING — The policy of debt reduction established in 1942, and pursued vigorously ever since that time, has brought gratifying results. By the end of 1944 this debt-reduction policy had effected a decrease of $12,067,665 in First Mortgage debt and a reduction in interest charges of $562,333 on an annual basis. This reduction in debt and interest charges, coming simultaneously with one of the most favorable periods for financing in railroad history, made it possible in 1945 to sell an issue of $50,000,000 of 35-year First Mortgage Bonds at an interest rate of 3⅜%. The proceeds, together with treasury cash, were applied to the redemption of all of the outstanding $52,467,335 of bonds, which bore interest at the rates of 4%, 4½% and 5%. The interest saving resulting from this additional reduction in debt, combined with the substantial cut in interest rate on the remaining debt, brings annual interest charges on all debt, including equipment obligations, down to approximately $1,840,000, compared with more than $3,200,000 in 1941. Because of duplicate interest incurred during the 60-day period between the call and redemption dates of the old bonds, the full savings will not be realized in the first year.

OPERATING REVENUES—The Company's 1944 operating revenues were $56,302,777, an increase of $1,249,973, or 2.27%, over 1943. Freight revenues of $49,771,833 were higher by $946,102, or 1.94%, than in 1943, whereas passenger revenues of $3,920,675 were higher by $235,936, or 6.40%, than in the previous year. The number of revenue ton miles (tons carried one mile) in 1944 were 5,719,000,000, compared with 5,768,000,000 in 1943, a decrease of .84%. The number of passenger miles (passengers carried one mile) in 1944 were 186,311,406, compared with 179,656,394 in 1943, an increase of 3.7%. Greatly increased civilian railroad travel resulting from war emergencies and necessitated by the continued shortage of gasoline and rubber, together with the heavy movement of inductees, accounted for the greater proportional rise of passenger traffic.

OPERATING EXPENSES — Operating expenses of $43,219,772 in 1944 represented an increase of $4,022,029, or 10.26% over the preceding year. Of this amount, payments for services increased $1,354,798; fuel expenses increased $217,272; material and supply expenses increased $616,794; and increased charges for depreciation, amortization and joint facilities substantially accounted for the remainder.

The operating ratio, or proportion of operating revenues required for operating expenses, was 76.76 as compared with 71.20 the previous year and 73.45 in 1942.

TAXES—While railway tax accruals in 1944 of $7,164,799 were lower by $1,447,542, or 16.81%, than in 1943, they exceeded by towering margins the total taxes for any other year of your railroad's history, prior to 1943. They were higher by $2,345,728, or 48.68%, than in 1942; by $3,761,410, or 110.52%, than in 1941; and by $4,202,604, or 141.87%, than in 1929.

United States and Canadian income and excess profits taxes amounted to $4,504,605, a decrease of $1,429,952 from 1943.

Total tax accruals amounted to 12.73% of operating revenues in 1944, as compared with 15.64% in 1943, 10.88% in 1942 and 6.11% in 1929.

Total tax accruals were 2.38 times net income in 1944, 2.38 times in 1943, 1.35 times in 1942, and 0.40 times in 1929.

RESEARCH—With rising wages and prices forcing operating costs higher, and with government regulation tending to maintain rates at relatively stable levels, earning power depends on constant improvement of operating efficiency. To research goes a considerable part of the credit for the ability to transport more than twice as many ton miles of freight in 1944 as in 1939 with only 1.4% more locomotives and 5.1% more freight cars.

As a further step toward strengthening this program of research, the Boards of Directors of Pere Marquette, Chesapeake & Ohio and Nickel Plate Road in December of last year joined in the establishment of a common Department of Research Engineering, which will initiate and conduct studies and experiments looking toward more efficient use of material, equipment and facilities. Through this move the three cooperating railroads are in a position to benefit from the most advanced developments in technological progress in all fields.

NEW INDUSTRIES AND THE POSTWAR ERA—During the three war years of 1942, '43 and '44, a total of 203 new industries have been established along the lines of Pere Marquette Railway. During this period, 87,001 cars of freight were handled on account of these industries, producing a revenue over the three-year period amounting to $8,680,263. During the year 1944 alone, 57 new industries were established, which accounted for 3,016 carloads of freight, producing a revenue of $230,705.

With a growing number of new industries added to those already firmly established in the territory served, and the prospect of a continuing proportional growth, in future years, of the railroad's so-called "overhead business," the postwar era, trafficwise, is not viewed with pessimism. In this connection, it is interesting to recall that following World War I the railroad carried more revenue ton miles of freight in 1919 than in 1918, and more in 1920 than in 1919.

It does not necessarily follow that this experience will be repeated, but it is reasonable to assume that a great deal of the slack that may result from the cessation of wartime manufacture will be taken up by the large-scale production of goods and materials to meet pent-up civilian demands, rehabilitation and reconstruction requirements.

SOURCES AND DISPOSITION OF INCOME

	1944	*1943*	*Increase or Decrease*
Our income came from the following sources:			
Revenues from hauling freight other than coal and coke	$43,552,621.47	$42,761,911.98	$ 790,709.49—I
Revenues from hauling coal and coke	6,219,211.10	6,063,819.09	155,392.01—I
Revenues from hauling passengers	3,920,674.57	3,684,738.27	235,936.30—I
Other transportation revenues	2,610,269.46	2,542,334.46	67,935.00—I
Dividends from stocks owned	99,274.73	56,801.50	42,473.23—I
Other income from non-railroad operations	786,444.43	722,343.06	64,101.37—I
Total	$57,188,495.76	$55,831,948.36	$1,356,547.40—I
We disposed of our income as follows:			
Wages	$20,638,656.91	$19,283,859.16	$1,354,797.75—I
Materials, supplies, and fuel	9,081,134.61	8,247,069.00	834,065.61—I
Railway tax accruals, other than Federal and Canadian tax on income	2,660,194.30	2,667,783.98	17,589.68—D
Payments to contractors, associations, other companies, and individuals for services and expenses	5,804,110.09	4,667,594.23	1,136,515.86—I
Rent for equipment of others used by us, less amounts received from others	142,351.09	199,846.11	57,495.02—D
Rentals and expenses paid for facilities used jointly with others, less amounts received from others	3,893,266.40	3,459,851.98	433,414.42—I
Interest on funded debt	2,721,065.39	2,934,113.96	213,048.57—D
Other interest	1,755.57	57,943.95	56,188.38—D
Depreciation, amortization, and retirements	4,729,280.72	4,749,809.10	20,528.38—D
Total	$49,671,815.08	$46,277,871.47	$3,393,943.61—I
Net income before Federal and Canadian income and excess-profits taxes	$ 7,516,680.68	$ 9,554,076.89	$2,037,396.21—D
Federal and Canadian income and excess-profits taxes	4,504,605.00	5,934,557.29	1,429,952.29—D
Balance remaining for other corporate purposes	$ 3,012,075.68	$ 3,619,519.60	$ 607,443.92—D

The above are summary excerpts from our current Annual Report. Any stockholder failing to receive a copy of the Report will be furnished one on request to the Secretary, Terminal Tower, Cleveland, O.

SELECTED AMERICAN SHARES
INC.

Prospectus
may be obtained
from authorized dealers, or
SELECTED INVESTMENTS COMPANY
135 South La Salle Street
CHICAGO 3, ILLINOIS

The George
PUTNAM
FUND
of Boston

Prospectus upon request

Putnam Fund Distributors, Inc.
50 State St., Boston

Mutual Funds

Sales Helps Are Getting Better All the Time

The trend toward sound, factual, "reason why" sales material in the investment company field has progressed to the point where the combined output of the various sponsors constitutes a veritable **"library" of business and financial information.**

This week the honors go to **Lord, Abbett** for that sponsor's new series of sales folders on **Union Trusteed Funds, American Business Shares** and **Affiliated Fund.** The new series is presented in a distinctive three-fold container which affords an attractive display of the new folders.

There is a separate folder for each of the five **Union Trusteed Funds, American Business Shares** and **Affiliated Fund.** And they are all models of simple, understandable sales presentation of the funds themselves. A separate brochure entitled "Fund Data" gives condensed data and portfolio information on each of the seven funds.

Along with this new material, **Lord, Abbett** announces that **Abstracts** will hereafter be issued in letter-page dimensions and that a new **Investment Bulletin** will be issued each week in which the sponsor will seek each time to present "some specific fact or thought favoring the purchase of investing company shares."

George Putnam Fund

The quarterly report of the **George Putnam Fund** shows net assets at a new high of $12,350,000 on March 31, 1945. During the first quarter of this year the trustees continued the policy adopted in the last quarter of 1944 of reducing the common stock portion of the Fund. As a result, the proportion so invested was only 45% of the total on March 31, 1945, compared with 59% on Dec. 31, 1944 and 63% on Sept. 30, 1944.

No Young Cars

Further assurance that the automobile industry can look forward to several years of prosperity is found in an article which **Hugh W. Long & Co.** has reprinted from the Cleveland Trust Company Bulletin. "There are no young cars—49% of cars are middle aged, 51% of cars are ancient" states the bulletin. "Doesn't this mean peacetime production of new cars by the million? Through a single investment in **Automobile Industry Series** of **New York Stocks, Inc.** you can now become part-owner of twelve selected automotive companies—leading manufacturers of automobiles, trucks, tires and auto parts."

Low Priced Shares

A Class of Group Securities, Inc.

Prospectus on Request

DISTRIBUTORS
GROUP, INCORPORATED
63 WALL ST. · NEW YORK 5, N. Y.

Keystone
Custodian
Funds
★
Prospectus may be obtained
from your local investment dealer or
The Keystone Corporation
of Boston
50 Congress Street, Boston 9, Mass.

NATIONAL
SECURITIES SERIES
Prospectuses upon request
National Securities &
Research Corporation
120 BROADWAY, NEW YORK, (5)
LOS ANGELES, 634 S. Spring St., (14)
BOSTON, 10 Post Office Square (9)
CHICAGO, 208 So. La Salle St. (4)

Common Stocks for Income

The two most recent issues of **Keynotes** are devoted to the advantages of common stocks as income producers under current conditions. In one issue the earnings and dividends of the 50 common stocks in the Barron's average are charted through the period from 1936 to 1944 and it is shown that a much smaller percentage of earnings has been paid out in dividends during the war years. Thus, earnings of these stocks in 1944 were 70% higher than in 1938, whereas dividends were only 22% higher. "The yield on the average dividend paid during the full nine-year period, at current price of 92, would be 5.1% or twice the return on high grade bonds."

The latest issue of **Keynotes** presents charts showing the assets and earnings of the 40 stocks held in **Keystone Common Stock Fund "S2."** These 40 companies had a net equity of $6,151,600,000 available for their common stocks which were selling in the market on April 1, 1945 at $3,934,700,000. "In other words, each dollar of market value has behind it $1.56 of net assets." Moreover, dividend payments for 1944 averaged $2.33 a share or only 60% of the year's average earnings of $3.89 a share. Average price of their shares on April 1 was 40, so that they are still available at approximately 10 times earnings.

New England
Fund
Prospectus
on
request

GENERAL
INVESTORS
TRUST
Prospectus on request

DISTRIBUTORS:
A. W. SMITH & CO., Inc.
111 DEVONSHIRE STREET
BOSTON, MASS.

Salable Merchandise

Distributors Group, in a letter to dealers, points out that "the shares of **Group Securities, Inc.** are eminently salable regardless of general investment activity."

To prove this statement, the sponsor compares the gain in dealer sales of Group Securities with the gain in New York Stock Exchange volume during the first quarter of 1945 over the same period of last year. Sales of Group Securities were up 126.1% as compared with a gain of 56.6% in New York Stock Exchange volume. Another comparison is made between the monthly trend of sales during the first three months of this year. During that time, sales of Group Securities were maintained at record levels while New York Stock Exchange volume was declining 29%.

"The big reason," states **Distributors Group**, "why shares of Group Securities are so highly salable is simply this:

"Group Securities' unique method permits dealers to concentrate sales effort in the currently undervalued groups. And when good securities are undervalued, they can always be sold to intelligent investors."

An Income Plus Program

National Securities & Research Corp. refers to **National Preferred Stock Series** as "an income plus program." Stocks included in this fund must measure up to three tests of value:

1. Favorable post-war outlook for business and profits to sustain dividends.
2. Improving capital position brought about by refunding or retirement of bonds ahead of preferreds, by repurchase, or retirement operations with respect to outstanding preferred issues.
3. Cash payment in full or part of accumulated dividends or recapitalization plans to eliminate dividend accumulations through payment in stock.

Memorandum on Steel

The close normal relationship between steel industry stock prices and steel production is pictured in a chart preferred by **Manhattan Research Associates,** research advisers to **New York Stocks, Inc.** This chart is published by **Hugh W. Long and Company** as part of a study on the **Steel Industry Series** of New York Stocks, Inc. It covers the fifteen year period from 1929 to 1944.

Practical application of the chart can be made in looking ahead to post-war steel production. Assuming that 70 million tons of steel—a conservative estimate—will be produced in post-war years, and that excess profits taxes are removed, steel stock prices post-war should be 50% higher than current levels.

Is the Market Too High?

Broad Street Sales Corp. in the current issue of **Items** sets out to answer the question as to whether the market is currently too high. "Too high in relation to what?" asks the memorandum which then goes on to show the relative position of various economic and financial factors today as compared with Dec. 31, 1939. The comparison points strongly to the conclusion that the market at its present level of only 2% above the Dec. 31, 1939 level is certainly not out of line.

"Sail and Ballast"

For a swell story on the importance of "balance" in a well-constructed investment program, we recommend the current portfolio review of the **George Putnam Fund** entitled, "Sail and Ballast."

"A big racing yacht must carry sail enough to drive her forward; but also ballast enough to keep her right side up and under control." The trustees of the George Putnam Fund believe that a good investment program must contain the same elements of balance.

Mutual Fund Literature

The Parker Corporation—Memorandum showing portfolio changes of **Incorporated Investors** in the first quarter. . . . **National Securities & Research Corp.**—Current information folder for April on National-sponsored funds; also portfolio memorandum showing changes made during March. . . . **Distributors Group**—Current monthly investment report; current portfolio folders on **Low Priced Shares, General Bond Shares** and **Railroad Bond Shares.** . . . **Estabrook & Co.**—Memorandum on chemical stocks in reference to **Chemical Fund.** . . . **Selected Investments Co.**—Current portfolio memorandum on **Selected American shares**; current issue of "These Things Seemed Important." . . . **Calvin Bullock**—Current issue of the Bulletin. . . . **George Putnam Fund**—Revised booklet, "What Is the Putnam Fund?"; current Portfolio News showing changes during the first quarter. . . . **Lord, Abbett**—Composite Summary for April covering the Lord, Abbett investment companies. . . . **Hugh W. Long & Co.**—Current portfolio folder on **Manhattan Bond Fund**; memorandum on the **Railroad Industry Series** of **New York Stocks, Inc.**

Dividends

Dividend Shares, Inc.—A quarterly dividend of 2¢ per share payable May 1 to stockholders of record April 14.

President Truman Pledges Efforts To End War and Preserve Peace

(Continued from first page)

colleagues, in the Congress of the United States.

Only yesterday, we laid to rest the mortal remains of our beloved President, Franklin Delano Roosevelt. At a time like this, words are inadequate. The most eloquent tribute would be a reverent silence.

Yet, in this decisive hour, when world events are moving so rapidly, our silence might be misunderstood and might give comfort to our enemies.

In His infinite wisdom, Almighty God has seen fit to take from us a great man who loved, and was beloved by, all humanity.

No man could possibly fill the tremendous void left by the passing of that noble soul. No words can ease the aching hearts of untold millions of every race, creed and color. The world knows it has lost a heroic champion of justice and freedom.

Tragic fate has thrust upon us grave responsibilities. We must carry on. Our departed leader never looked backward. He looked forward and moved forward. That is what he would want us to do. That is what America will do.

So much blood has already been shed for the ideals which we cherish, and for which Franklin Delano Roosevelt lived and died, that we dare not permit even a momentary pause in the hard fight for victory.

Calls for Unity

Today, the entire world is looking to America for enlightened leadership to peace and progress. Such a leadership requires vision, courage and tolerance. It can be provided only by a united nation deeply devoted to the highest ideals.

I call upon all Americans to help me keep our nation united in defense of those ideals which have been so eloquently proclaimed by Franklin Roosevelt.

I want in turn to assure my fellow Americans and all of those who love peace and liberty throughout the world that I will support and defend those ideals with all my strength and with all my heart. That is my duty and I shall not shirk it.

So that there can be no possible misunderstanding, both Germany and Japan can be certain, beyond any shadow of doubt, America will continue the fight for freedom until no vestige of resistance remains!

We are deeply conscious of the fact that much hard fighting is still ahead of us.

Having to pay such a heavy price to make complete victory certain, America will never become a party to any plan for partial victory

To settle for merely another temporary respite would surely jeopardize the future security of all the world.

Unconditional Surrender

Our demand has been, and **it remains—Unconditional Surrender!**

We will not traffic with the breakers of the peace on the terms of the peace.

The responsibility for the making of the peace—and it is a very grave responsibility—must rest with the defenders of the peace, the United Nations. We are not unconscious of the dictates of humanity. We do not wish to see unnecessary or unjustified suffering. But the laws of God and of man have been violated and the guilty must not go unpunished. Nothing shall shake our determination to punish the war criminals even though we must pursue them to the ends of the earth.

Lasting peace can never be secured if we permit our dangerous opponents to plot future wars with impunity at any mountain retreat—however distant.

In this shrinking world, it is futile to seek safety behind geographical barriers. Real security will be found only in law and in justice.

Help the Common Man

Here in America, we have labored long and hard to achieve a social order worthy of our great heritage. In our time, tremendous progress has been made toward a really democratic way of life. Let me assure the forward-looking people of America that there will be no relaxation in our efforts to improve the lot of the common people.

In the difficult days ahead, unquestionably we shall face problems of staggering proportions. However, with the faith of our fathers in our hearts, we fear no future.

On the battlefields, we have frequently faced overwhelming odds—and won! At home, Americans will not be less resolute!

We shall never cease our struggle to preserve and maintain our American way of life.

At this very moment, America, along with her brave Allies, is paying again a heavy price for the defense of our freedom. With characteristic energy, we are assisting in the liberation of entire nations. Gradually, the shackles of slavery are being broken by the forces of freedom.

All of us are praying for a speedy victory. Every day peace is delayed, costs a terrible toll.

The armies of liberation today are bringing to an end Hitler's ghastly threat to dominate the world. Tokyo rocks under the weight of our bombs.

Grand Strategy to Continue

The grand strategy of a United Nations' war has been determined—due in no small measure to the vision of our departed Commander in Chief. We are now carrying out our part of that strategy under the able direction of Admiral Leahy, General Marshall, Admiral King, General Arnold, General Eisenhower, Admiral Nimitz and General MacArthur.

I want the entire world to know that this direction must and will remain—**UNCHANGED AND UNHAMPERED!**

Our debt to the heroic men and valiant women in the service of our country can never be repaid. They have earned our undying gratitude. America will never forget their sacrifices. Because of these sacrifices, the dawn of Justice and freedom throughout the world slowly casts its gleam across the horizon.

Our forefathers came to our rugged shores in search of religious tolerance, political freedom and economic opportunity. For those fundamental rights, they risked their lives. We well know today that such rights can be preserved only by constant vigilance, the eternal price of liberty!

San Francisco Conference on Schedule

Within an hour after I took the oath of office, I announced that the San Francisco Conference would proceed. We will face the problems of peace with the same courage that we have faced and mastered the problems of war.

In the memory of those who have made the supreme sacrifice—in the memory of our fallen President—**WE SHALL NOT FAIL!**

It is not enough to yearn for peace. We must work, and if necessary, fight for it. The task of creating a sound international organization is complicated and difficult. Yet, without such organization, the rights of man on earth cannot be protected. Machinery for the just settlement of international differences must be found. Without such machinery, the entire world will have to remain an armed camp. The world will be doomed to deadly conflict, devoid of hope for real peace.

Fortunately, people have retained hope for a durable peace. Thoughtful people have always had faith that ultimately justice **must** triumph. Past experience surely indicates that, without justice, an enduring peace becomes impossible.

In bitter despair, some people have come to believe that wars are inevitable. With tragic fatalism, they insist that as wars have always been, of necessity, wars will always be. To such defeatism, men and women of good will must not and can not yield. The outlook for humanity is not so hopeless.

During the darkest hours of this horrible war, entire nations were kept going by something intangible—hope! When warned that abject submission offered the only salvation against overwhelming power, hope showed the way to victory.

Hope has become the secret weapon of the forces of liberation!

Aggressors could not dominate the human mind. As long as hope remains, the spirit of man will **never** be crushed.

Work with Other Nations

But hope alone was not and is not sufficient to avert war. We must not only have hope but we must have faith enough to work with other peace loving nations to maintain the peace. Hope was not enough to beat back the aggressors as long as the peace-loving nations were unwilling to come to each other's defense. The aggressors were beaten back only when the peace loving nations united to defend themselves.

If wars in the future are to be prevented the peace-loving nations must be united in their determination to keep the peace under law. The breaking of the peace anywhere is the concern of peace-loving nations everywhere.

Nothing is more essential to the future peace of the world than continued cooperation of the nations which had to muster the force necessary to defeat the conspiracy of the fascist powers to dominate the world.

While these great states have a special responsibility to enforce the peace, their responsibility is based upon the obligations resting upon all states, large and small, not to use force in international relations except in the defense of law. The responsibility of the great states is to serve and not dominate the peoples of the world.

To build the foundation of enduring peace we must not only work in harmony with our friends abroad, but we must have the united support of our own people.

Even the most experienced pilot cannot bring a ship safely into harbor, unless he has the full cooperation of the crew. For the benefit of all, every individual must do his duty.

Asks Support of United Nations Pact

I appeal to every American, regardless of party, race, creed, or color, to support our efforts to build a strong and lasting United Nations Organization.

You, the Members of Congress, surely know how I feel. Only with your help can I hope to complete one of the greatest tasks ever assigned to a public servant. With Divine guidance, and your help, we will find the new passage to a far better world, a kindly and friendly world, with just and lasting peace.

With confidence, I am depending upon all of you.

To destroy greedy tyrants with plans of world domination, we cannot continue in successive generations to sacrifice our finest youth.

In the name of human decency and civilization, a more rational method of deciding national differences **MUST** and **WILL** be found!

America must assist suffering humanity back along the path of peaceful progress. This will require time and tolerance. We shall need also an abiding faith in the people, the kind of faith and courage which Franklin Delano Roosevelt always had!

U. S. World Force

Today, America has become one of the most powerful forces for good on earth. We must keep it so. We have achieved a world leadership which does not depend solely upon our military and naval might.

We have learned to fight with other nations in common defense of our freedom. We must now learn to live with other nations for our mutual good. We must learn to trade more with other nations so that there may be—for our mutual advantage—increased production, increased employment and better standards of living throughout the world.

May we Americans live up to our glorious heritage.

In that way, America may well lead the world to peace and prosperity.

At this moment, I have in my heart a prayer. As I assume my heavy duties, I humbly pray to Almighty God, in the words of Solomon:

"Give therefore thy servant an understanding heart to judge thy people, that I may discern between good and bad; for who is able to judge this thy so great a people?"

I ask only to be a good and faithful servant of my Lord and my people.

Addresses Armed Forces

On Tuesday night (April 17) President Truman spoke over the radio to the armed forces. This address as recorded and transcribed by the New York "Times" follows:

To the Armed Forces of the United States throughout the world:

After the tragic news of the death of our late Commander in Chief in was my duty to speak promptly to the Congress and the armed forces of the United States.

Yesterday I addressed the Congress. Now I speak to you.

I am especially anxious to talk to you, for I know that all of you felt a tremendous shock, as we did at home, when our Commander in Chief fell.

All of us have lost a great leader, a far-sighted stateman and a real friend of democracy. We have lost a hard-hitting chief and an old friend of the services.

Our hearts are heavy. However, the cause which claimed Roosevelt also claims us. He never faltered—nor will we!

I have done, as you do in the field, when the Commander in Chief falls. My duties and responsibilities are clear. I have assumed them. These duties will be carried on in keeping with our American tradition.

As a veteran of the first World War, I have seen death on the battlefield. When I fought in France with the Thirty-fifth Division I saw good officers and men fall and be replaced.

I know that this is also true of the officers and men of the other services, the Navy, the Marine Corps, the Coast Guard and the Merchant Marine.

I know the strain, the mud, the misery, the utter weariness of the soldier in the field. And I know too his courage, his stamina, his faith in his comrades, his country and himself.

We are depending upon each and every one of you.

Yesterday I said to the Congress and I repeat it now:

"Our debt to the heroic men and valiant women in the service of our country can never be repaid. They have earned our undying gratitude. America will never forget the sacrifices. Because of these sacrifices the dawn of justice and freedom throughout the world slowly casts its gleam across the horizon."

At this decisive hour in history it is very difficult to express my feeling. Words will not convey what is in my heart.

Yet, I recall the words of Lincoln, a man who had enough eloquence to speak for all America. To indicate my sentiments, and to describe my hope for the future, may I quote the immortal words of that great Commander in Chief:

"With malice toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive on to finish the work we are in; to bind up our nation's wounds; to care for him who shall have borne the battle, and for his widow, and his orphan—to do all which may achieve and cherish a just and lasting peace among ourselves, and with all nations."

Brundage, Story & Rose Admit Warren Clark

Brundage, Story & Rose, 90 Broad Street, New York City, investment counsel, announce that Warren Clark has been admitted as a general partner in the firm. He has been engaged in research work for the firm for the last two years, and was formerly associated with Brown Brothers, Harriman & Company and Goodbody & Company. A graduate of Williams College and of Harvard University Graduate School of Business Administration, Mr. Clark is a member of the American Statistical Association, Analysts Club, Bankers Club of America, the Economic Club and the New York Society of Security Analysts.

Eric Etherington Is With Bear, Stearns

Bear, Stearns & Co., 1 Wall Street, New York City, members of the New York Stock Exchange and other exchanges, announce that Eric Etherington is now associated with them in the Public Utilities Research Department. Mr. Etherington until recently was with the Philadelphia office of E. H. Rollins & Sons, covering utilities for the Company's Eastern offices, and previously had been associated with Goodbody & Co. and Bonbright & Co.

This announcement is not an offer to sell or a solicitation of an offer to buy these securities.
The offering is made only by the Offering Circular.

$84,000,000

Reading Company

First and Refunding Mortgage 3⅛% Bonds, Series D

To be dated May 1, 1945 To be due May 1, 1995

The issuance and sale of these Bonds are subject to authorization by the Interstate Commerce Commission

In the opinion of Counsel, these Bonds will be legal investments for savings banks in California, Maine, Massachusetts, Nebraska, New Hampshire, New Jersey, New York, Ohio and Rhode Island.

Price 101.87% and accrued interest

The Offering Circular may be obtained in any State in which this announcement is circulated from only such of the undersigned and other dealers as may lawfully offer these securities in such State.

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PHELPS, FENN & CO. SCHOELLKOPF, HUTTON & POMEROY, INC.
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R. L. DAY & CO. GRANBERY, MARACHE & LORD KALMAN & COMPANY, INC.
E. M. NEWTON & COMPANY REYNOLDS & CO. SWISS AMERICAN CORPORATION

April 13, 1945.

PUBLIC UTILITY STOCKS

We maintain an active market in the stocks of
many public utility companies and through
the facilities of our direct private wire
system are especially equipped to
trade in those markets where
our various offices are
located.

PAINE, WEBBER, JACKSON & CURTIS
ESTABLISHED 1879

Public Utility Securities

Analyzing Utility Earnings

While most utility earnings statements are highly standardized and easy to interpret, a number of irregularities have crept into the picture in recent years, due mainly to holding company liquidation programs and variations in the treatment of tax items. Accordingly, it is frequently essential to "look behind" the published earnings ratios and per share figures to see whether they really mean what they appear to.

In studying the "coverage" figures for bond interest, peculiar results sometimes appear in the services, and on checking it will be noted that fixed charges have been swollen by the inclusion of heavy amortization items or charge-offs, in addition to the usual less important amortization of bond discount, etc. At present there is considerable difference of opinion and practice in the handling of these charge-offs. If they are in the nature of extra depreciation, they should go "above the line"—be deducted before arriving at the balance available for interest. On the other hand, if they are important adjustments of plant account, they should go down into profit and loss account. But the companies and the commissions have varying views, and the financial services do not always make the proper adjustments which are necessary to arrive at correct "coverage" figures. Incidentally, it is quite important to note whether bond interest coverage is before or after Federal taxes. It is frequently stated both ways, especially in comparisons of new offerings with other issues.

The same difficulty arises with respect to "overall" coverage of fixed charges and preferred dividends. This overall coverage figure has now become a standard yardstick for comparing preferred stocks but apparently all the financial services do not realize this yet, for some of them continue to publish only the share earnings figures, or the number of times the preferred dividend (alone) is covered by net income.

But the real pitfalls lie in the statement of share earnings on the common stocks of holding companies. For example, American Water Works' consolidated earnings for the 12 months ended Sept. 30 were reported as 54 cents a share, while a footnote indicated that this was before a special tax adjustment credit. But the report for the calendar year apparently threw this tax adjustment "upstairs" and the same service reported share earnings at $1.36 or about 2½ times as large as the previous figure. There is not space here to go into the accounting problems involved, but the point remains that when a Wall Street house, and later a financial research organization, called attention to the new earnings figures, the stock enjoyed a sharp advance. Careful students might have noted the same facts in the September statement.

Holding company earnings figures sometimes show puzzling changes. Several years ago it was feared that Standard Gas would only earn about half its interest charges if proposed tax changes occurred. Instead, the tax laws were amended and Standard Gas benefited considerably by some of the technical provisions, so that the prior preferred stock has gained some tenfold in price. Here again careful study of tax changes would have proved highly advantageous to the stockholder.

On the other hand, earnings of several other holding companies—American Light & Traction, Electric Power & Light and American Power & Light have declined. On analysis, it is evident that the declines were due to the sales of certain properties for cash. Since the cash was not reinvested, earnings naturally declined. The same factor—retention of about $56,000,000 cash—tends to explain the present poor earnings of Electric Bond and Share.

Another factor which the analyst must watch for is big tax savings due to mergers, property sales, refunding operations, etc. It is usually customary to offset these savings by a "charge in lieu of tax savings," but this is not always done. Thus Puget Sound Power & Light in 1943 reported share earnings of $2.21 a share on the new common stock due to such tax savings. For the 12 months ended February, 1945, earnings were $1.97, and this is still included an item "Federal income tax reduction credit" of $935,142, or about 43 cents a share. The adjusted share earnings would appear to be in the neighborhood of $1.54.

On the other hand, the earnings of Engineers Public Service have been mounting rapidly and the price of the stock has similarly advanced. For the calendar year 1944 $2.50 a share was reported compared with $1.75 in 1943 and 94 cents in 1942. Most of the gain appears to be legitimate, resulting from the substantial advantages gained from merger-refunding operations of Virginia Electric (which acquired Virginia Public Service from the Associated Gas System on an advantageous basis). These gains have appeared in the published figures only gradually, whereas a pro forma income account on the new basis would have immediately revealed the potential earning power. Here again there are a number of important tax changes which cannot be discussed in detail. It may be noted, however, that 1944 earnings as reported by one service contained an income tax credit resulting from amortization of facilities allowable as war emergency construction, amounting to $1,067,652 or about 56 cents a share. Should this item be included in the earnings?

Another less important difficulty is the question whether the post-war tax refund should be excluded from earnings. One service now reports earnings in two ways, with and without the refund. Without the refund, for example, Engineers' earnings would be reduced from $2.50 to $2.34.

Obviously, there is a wide field for exploration of values in these earnings statements.

Associated Gas & Electric issues
American Gas & Power 3-5s & 3.6s 1953
Central Public Utility 5½s 1952
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OUR REPORTER'S REPORT

Underwriting bankers could find no complaint with the response of investors to new issues brought to market this week. In fact, celerity with which several major deals, including Erie Railroad's $79,500,000 of new bonds, moved out afforded silent but none-the-less conclusive testimony that recent slow issues likewise were being cleaned up nicely.

Tuesday proved one of the biggest days thus far this year from a standpoint of public offering of new securities producing well over $100,000,000 of such issues for the investor, institutional and individual alike.

To say that Erie's huge undertaking was a "quickie," as the trade terms a fast mover, would be pretty much of an understatement. Sold in three series, with one group taking $33,900,000 of series F and $40,000,000 of series G as 3⅛s, and another group acquiring the $5,500,000 of series G as 2s, the successful syndicates proceeded immediately to reoffering.

The two larger and long-term issues were shaped up within a few minutes of announcement of the opening of the books and were in brisk demand in the open market above the offering price of 100.65.

For the issuer this business provided funds for the retirement of $74,212,500 of series B 4s outstanding in the hands of the public and $5,500,000 of serial 3⅛% notes maturing in 1953. It means, likewise, a saving of some $721,000 annually in interest charges.

Corning Glass Works

Scarcely less impressive than the reception given the Erie bonds was that accorded the preferred and common stocks of Corning Glass Works, in the amounts of 50,000 shares and 412,340 shares, respectively.

The junior equity, especially, stood out by its performance, perhaps enhanced by reason of the fact that this was the first opportunity the public has had to buy into the hitherto closely held security.

Offered at $25 a share the stock bolted ahead to rule at a premium of a full 4 points on the bid side and it was reported that allotments were scaled down to as little as 20% in order to assure wide distribution. The preferred, likewise, ruled at a premium of around 2 points at times.

Busy Days Ahead

Notwithstanding the heavy outpouring of new securities in recent weeks, the banking fraternity and dealers realize that they have not yet finished the job ahead in the corporate field before the turn to on the next War Loan Drive.

There is a host of new issues in prospect for the next fortnight and the roster offers a pretty well diversified assortment with a large utility, two large rail and one industrial offering in prospect.

B. F. Goodrich Co. is nearing the end of its hibernation period on $35,000,000 of new first mortgage bonds which will replace outstanding 3s and 4¼s.

Virginian Railway is scheduled to open bids on an offering of $60,000,000 of new first lien 3 per cents next Tuesday, barring any change in plans, and the New York, Chicago & St. Louis Railroad (Nickel Plate) has applied for permission to issue $58,000,000 of refunders.

On the final day of the month Virginia Electric Power Co. is slated to sell in competitive bidding $59,000,000 of new bonds to redeem outstanding issues carryin 3, 3⅛ and 3½% coupons.

Bell & Howell Offering

Bankers yesterday brought to market another of those operations involving the wide distribution of the common stock of a company which had been held heretofore by several large shareholders.

This was a combination deal involving the sale of 30,000 shares of cumulative preferred stock, for company account, designed to raise funds for post-war needs and for the purchase from DPC of the Lincolnwood plant, Chicago, now operated under lease.

But it embraced also 150,000 shares of common stock for the account of certain big stockholders. This offering was well received by investors with both issues reported in brisk demand.

Reading Co. Awards $84,000,000 Bonds To Halsey Stuart Group

Reoffering Made at 101.87

An investment banking group led by Halsey, Stuart & Co., Inc., won the award April 12 of Reading Co.'s $84,000,000 of new first and refunding mortgage 3⅛% bonds, Series D, due May 1, 1995. The winning bid named a price of 100.59 for a 3⅛% coupon, a net interest cost to the road of approximately 3.10%. Halsey, Stuart & Co., Inc., and a nationwide banking group of 121 members on April 13 publicly reoffered the bonds at 101.87, subject to approval of the Interstate Commerce Commission.

The Reading Co. will devote the proceeds from the financing, together with other funds, to the retirement of $84,249,700 of outstanding higher-cost obligations.

The funded debt of the road to be publicly outstanding as of May 1, 1945, after giving effect to the present financing will total $108,121,164, of which $10,570,000 Reading Co.-Jersey Central collateral trust 4s, due 1951, will be called for redemption on next April 1.

Smith & Co. is Formed

(Special to THE FINANCIAL CHRONICLE)

WATERVILLE, MAINE — Donald O. Smith and Ray W. Smith have formed Smith & Company with offices at 66 Main Street. Donald Smith was previously President of Smith, White & Stanley, with which Ray Smith was also connected as Manager of the Municipal Department.

Pacific Coast Securities

Orders Executed on
Pacific Coast Exchanges

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San Francisco — Santa Barbara
Monterey — Oakland — Sacramento
Fresno

Tomorrow's Markets Walter Whyte Says—

Change in White House leadership brings rush out of money into stocks. Wild hopes based on change unwarranted. Protect profits by raising stops.

By WALTER WHYTE

An example what happens to a bull market suddenly faced with the unexpected was given you last Thursday when the world was electrified by the sudden death of President Roosevelt. The following day, Friday, prices actually advanced. And as this is being written the averages are at a new high (163).

* * *

My guess is that had the death occurred during market hours a setback would have been seen. The fact that it came after hours permitted sounder thinking to take control.

* * *

But what was more important, from a stock market point of view, is the fact that the market was in a basic bull trend. And basic trends don't change or veer overnight. It is a succession of events that bring about a change in the tide.

* * *

Last week all the signs I could see pointed to a minor correction. The averages had been across 160 and had rallied to about 157. At the 157 area resistance began to assert itself. But at worst this kind of obstacle is temporary. It just calls for the market to step back and get another grip, a stronger one, and then it is away to the races again. So even if the down-signs last week were present I saw no need to sell. On the contrary I warned that the basic position should be long.

* * *

Whether or not this advice was justified I leave you to judge.

* * *

The question now facing us is what to do from here on.

* * *

Well, first of all I don't think sentimentalism and

(Continued on page 1741)

The Job Ahead

(Continued from first page)

Our nation has become the mightiest military force in the world. With the return of peace, we should divert our wartime energies to improving our national economic structure. That is essential to remain in the vanguard of social progress. To achieve this peacetime goal, there must be useful jobs for all willing hands. This cannot be attained merely by wishing and waiting. It requires careful planning and hard work.

Every major phase of our economic life ought to be given deep study, so it may be utilized to the utmost to help assure full employment in the post-war period. Wherever necessary and desirable, the Government should give special aid to private industry to encourage the maximum amount of employment from sound business enterprises.

Surely recent world events should explode, once and for all, the myth that democracy is inherently inefficient. We have out-produced and out-fought the foes of democracy. Furthermore, we have been able to retain a healthy balance, by preserving individual rights, while promoting the general welfare. America's remarkable rise to world leadership, in practically every field of human endeavor, has been possible only in the free air of democracy.

Prosperity, like peace, is an elusive state of affairs, which can easily be lost by neglect. This world of ours is constantly changing, and, therefore, we must make endless adjustments to meet new conditions. Static measures in a dynamic world may rapidly become obsolete and dangerous. As a nation, we either go ahead or drop behind in the passing political parade. All lasting human progress requires intelligent planning and reasonable regulation for the best interest of all.

America will never again permit the callous indifference, the economic and political inaptitude of the late twenties and early thirties to return to political power. No depression will be allowed to grow, like a Frankenstein monster, ultimately threatening our entire social structure.

The present Administration has sponsored considerable social legislation to help safeguard the health, security and future of our people. These progressive legislative measure are too well known to require detailed comment. Unemployment insurance, old age pensions, maternal and child welfare are among the most important.

We also have bank deposit insurance to prevent life savings being wiped out during a hysteria of financial fears. The SEC safeguards sound securities and prevents the gross abuses in the sale of stock, which once defrauded so many of our unsuspecting people. These measures, together with new record personal savings, reduction of private debts, and extension of loans to worthy business interests, all tend to reduce the danger of future economic depressions.

Today, the American people have a far greater faith in our future. They know that no Government will be permitted to remain in power, if it neglects the essential welfare of all our people. Of course, the basic problem is to find useful employment in private industry for all willing workers. To maintain our high American standards of living, we must produce efficiently, which will lead to full employment for the benefit of all. That is our essential goal. We must not fail!

It may be necessary for the Government to assist private business in attaining this objective by tax reductions, special subsidies, and sound business loans. Public works, long delayed because of the war, should be coordinated into a scheduled program designed to produce the maximum benefits when most needed. With these, and many other economic weapons at our disposal, we would be foolish indeed if we did not use them most effectively to fight the first threat of another depression.

We hear much about the problem of returning veterans. Well, this time there surely will be no Bonus Army! Already we have created the Veterans' Bill of Rights, which contains a whole program for a modest repayment of our everlasting debt to those to whom we owe our freedom. When demobilized, the veterans know in advance they will have a cash bonus waiting. They may resume their studies at government expense, receive priorities for government positions, and many other benefits, such as special loans designed to expedite their readjustment to civilian life. This time our fighting men will not have to fight again for justice on the home front!

Fear has been expressed that when our fighting forces return, these new workers might flood the labor market and threaten us with heavy unemployment. In the first place, of the eleven million in the armed services, about five million will not be in the market for jobs immediately upon discharge from service. Over half of our service people are under 26 years of age. Therefore, at least two million of these should return to school, college, or seek vocational training.

An additional two million veterans will probably enter business, or become self-employed, such as lawyers, doctors, and farmers. Another million people will have special positions awaiting them, such as policemen, firemen, teachers and necessary government workers. Roughly this should total over five million veterans, who will not immediately be "thrown on the labor market." Of the remaining six million servicemen, approximately two million may remain in service as a career, or be replaced by others, to man our new mighty fleets and outposts guarding America. This leaves only about four million veterans available for civilian positions soon after hostilities cease.

Despite manpower shortages, our gigantic war industries and economic productive machines managed to break all records. Women workers helped to make this possible. According to an official poll, after the war about one-fifth of our 18 million women employees will be anxious to return to their homes. These three and a half million women alone may provide sufficient jobs for most veterans seeking work.

There are also a half a million persons over 65, who are entitled to retire on pensions. As did our patriotic women, they continued to work to help our war effort. Furthermore, there are about two million boys between 14 and 17 working, who should be sent back to school when war ends. In brief, about six million people may be expected to leave the nation's labor force when victory comes, while there are only about four million veterans ready to step into their places. Modern scientific discoveries should give rise to new important industries. Therefore, if our high production is maintained, or increased to meet the demands of peace, America may actually experience manpower shortages for some time in certain localities.

As a result of our record national debt, inflation has been considered by some people as the "big bugaboo" of peace. Again we can have inflation, if we do nothing to check it. However, it is most gratifying to note how prices were kept in line, and prevented from soaring as they did during the last war. Of course, everybody regrets the size of the public debt, but modern war costs are staggering.

Yet, the main consideration is that our national productive power also increased steadily to record size. Our national income and national wealth was never greater. Furthermore, we have acquired the skill and ability to do gigantic tasks for the benefit of all Americans. As long as we utilize our plants, resources, manpower and skills intelligently, there seems no sound reason why America should fear the future in any field of human endeavor. As long as we remain free and industrious our progress should be practically unlimited.

To achieve our greatest possible development, all of us must work together for the interest of our country. Capital, labor and agriculture must cooperate for the benefit of all concerned. Labor must produce efficiently to assure capital with essential profits to be distributed. Capital must pay reasonable wages to help maintain the general purchasing power, upon which prosperity depends. Government must assist both, and prevent either from taking any undue advantage.

We Americans have good reason to be proud of our remarkable achievements. In less than two centuries we have transformed a wild continent into the political, cultural and financial center of the world. Today, American energy and ideals are making themselves felt in every part of the world. America has become steadily stronger and gradually more influential in deciding the destiny of mankind on this turbulent planet.

May we Americans always live up to our glorious heritage. May we utilize our tremendous power and moral prestige only in the cause of justice. In that way, America may again lead the world back to tolerance and understanding. At this Easter Season we may hope that ultimately there will be lasting peace on earth, and universal good will toward all mankind.

Missouri Brevities

(Continued from page 1723)

group offering $26,089,000 **Ohio Edison** first mortgage 2¾s, 1975. **Newhard, Cook & Co. of St. Louis** were members.

Governor Donnelly has announced the appointment of Morris E. Osburn of Shelbyville, former Speaker of the Missouri House of Representatives, and E. L. McClintock of Cape Girardeau, an attorney, as members of the Missouri Public Service Commission. Osburn was designated as Chairman and named for a term expiring April 15, 1947. McClintock was named for a term ending April 15, 1949. Both men are Democrats. Other members of the Commission are: Charles L. Henson (Dem.-Springfield), whose term has been extended to April 15, 1951; Kyle Williams (Rep.-Albany), whose term expires April 15, 1947, and Miss Agnes May Wilson (Rep.-Trenton), whose term expires April 15, 1949. Appointments are subject to Senate confirmation.

Savs. Bank Bond Men Elect Thomas President

Franklin H. Thomas, investment analyst with Central Savings Bank, has been elected president of the Savings Bank Bond Men of New York State. Other officers elected are: Alfred C. Middlebrook of the East River Savings Bank, vice-president; George P. Montgomery, Seamen's Bank of Savings, secretary; and Frank Mullen of the Greater New York Savings Bank, treasurer.

U. S. Protests Brazil Consumption Tax

The American Embassy has filed a protest with the Brazilian Government, pointing out that the consumption tax law, in effect April 2, conflicted with the Brazilian American trade treaty, it was announced on April 4 by U. S. Ambassador A. A. Berle, it was made known in a wireless dispatch on April 4 to the New York "Times" from Rio de Janeiro, which added:

Items specifically mentioned in the treaty as exempt from taxation are included in the consumption tax law, Mr. Berle said. Moreover, imported items are taxed more highly than domestic ones.

American importers have raised the point that while the United States is considering the lowering of customs barriers, the consumption law, as far as imported articles are concerned, acts as a customs barrier, since such items are taxed when duties are paid.

This is under no circumstances to be construed as an offering of these Securities for sale, or as an offer to buy, or as a solicitation of an offer to buy, any of such Securities. The offer is made only by means of the Prospectus.

NEW ISSUE April 18, 1945

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$14,000,000

First Mortgage Bonds, 3% Series Due 1975

Dated February 1, 1945 Due February 1, 1975

Price 103% and accrued interest

30,000 Shares

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Price $102 per share

Plus accrued dividends from April 1, 1945

Copies of the Prospectus may be obtained from such of the undersigned as are registered dealers in securities in this State.

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Two Erie Bond Issues Totaling $79,400,000 Are Oversubscribed

Competitive bidding for $79,400,000 of Erie RR. first consolidated mortgage bonds resulted in award of $33,900,000 series F, due 1990, and $40,000,000 series G, due 2000, to an investment banking group led by Morgan Stanley & Co. on a bid of 99.389 for a 3⅛% coupon and of $5,500,000 series H, due 1953, to Halsey, Stuart & Co., Inc., and associates on a bid of 99.33 for a 2% coupon.

Reoffered by Morgan Stanley & Co. and associates at 100.65, subject to the approval of the Interstate Commercial Commission, both the series F and the series G bonds were quickly oversubscribed and the subscription books closed. Halsey, Stuart & Co., Inc., and associates set a reoffering price of 100 for the series H bonds.

The Erie will use the net proceeds from sale of the securities with funds in the treasury, to redeem $5,500,000 secured serial 3⅛% notes, due in 1953, and the entire $87,185,000 of first consolidated mortgage 4% Series B bonds, due in 1995, which were issued in 1941 at the time of reorganization. There is $74,212,500 of the B bonds outstanding in the hands of the public, $1,723,000 being held unpledged in the company's treasury and $11,250,000 pledged as collateral to secure the 3⅛% serial notes.

Stanley With Boettcher

(Special to The Financial Chronicle)

DENVER, COLO.—Helen D. Stanley has joined the staff of Boettcher & Co., 828 Seventeenth Street, members of the New York Stock Exchange. Mrs. Stanley in the past was with Ranson-Davison Co. in San Antonio and was with W. K. Ewing & Co.

Dominion of Canada
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Canadian Securities

By BRUCE WILLIAMS

Canada also has suffered a tragic loss. Never was President Roosevelt's great friendship for the Dominion more clearly demonstrated, when in the hour of its greatest need, with the British Commonwealth battling alone against the triumphant forces of the Axis, he initiated in August, 1940, the Ogdensburg Agreement which virtually pledged the support of this country in the event of invasion of Canada.

Again before Pearl Harbor, President Roosevelt, in collaboration with his life-long friend, Prime Minister Mackenzie King, arranged the Hyde Park Agreement which enabled Canada to forget any temporary U. S. exchange deficiencies and to fill without impediment Canadian war requirements in this country.

United States/ Canadian relations are a glowing example to the whole world of the benefits to the common welfare which accrue from friendly, understanding collaborations in political and economic affairs. In this world of today, with distances shrunk by revolutionized rapid transport, this vivid example can serve as a universal standard. Happily for this country and the world, it can already be seen that President Truman will earnestly strive to follow the path of world cooperation.

On June 11, it will be Canada's turn to decide on its leader for the trying period ahead. In the undeviating pursuit of lofty political objectives too often the paths of earnest although lesser aims cross the main course to cause bitter frictions, and comprehension of the higher policy can come too late.

Prime Minister Mackenzie King, constant collaborator of President Roosevelt, has, during his equally long direction of Canadian affairs, suffered through the conflict of high national interest and the lesser interests of province and personalities. The passing of President Roosevelt might very well have a deep psychological effect on the Canadian electorate, and ensure that Mackenzie King will be empowered to fulfill his life-long political ambitions—unity within the Dominion with friendly cooperation between English and French-speaking Canada; the amendment and clarification of the Canadian constitution following a Dominion/Provincial conference; and the final establishment of Canada as a world power in her own right.

Turning to market affairs, the lull in activity still continued. Supply was scant and interest apathetic. Selective demand fully maintained the price level in the high grade section but the turnover was negligible. Montreals were a shade easier but Albertas were in increased demand on a closer appraisal of refunding prospects. As predicted, Premier Manning has kept the door very widely open to proposals for a fuller recognition of the provincial obligations. Reports of movements of representatives of the bondholders between Edmonton and Toronto point to an early announcement of a revised plan, more consonant with the principles laid down by Finance Minister Ilsley.

There was little interest in internal bonds but hectic conditions again prevailed in the market for gold shares and record turnovers were recorded on the Toronto Exchange. Interest centered on the older Quebec mines but after the Spring thaws it is expected that the new Yellowknife camp will recapture popular attention.

In looking to the future, the Eighth Victory Loan and the Federal Election together with the Ontario elections on June 4 still loom as the most important factors. Consequently, there is still little likelihood of an early departure from the present state of dull inactivity.

Margin Rules Are Tightened by Toronto Stock Exchange

TORONTO, ONT., CANADA—Shares selling under $2 on the Toronto Stock Exchange must not be carried by a broker on a marginal basis, effective on and after Thursday, April 19, it has been ruled by the Exchange. Existing margin contracts are not affected by the ruling, however.

Previously, stocks selling at $1 or over, and also a few specified stocks which sold under a dollar a share, could be carried on a 50% margin.

Under the new ruling, customers must deposit 40% of the purchase price on stocks selling at $2 and under $4; 33⅓% on stocks selling at $4 and under $40; and 30% on stocks selling at $40 and over.

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&

CANADIAN SECURITIES
Government · Provincial · Municipal · Corporate

Corning Glass Preferred & Common Oversubscribed

Public offering was made April 17, by an underwriting group headed by Harriman, Ripley & Co., Inc., and Lazard Freres & Co., of 50,000 shares of Corning Glass Works 3½% cumulative preferred stock at par, at ($100) per share, and 412,340 shares ($5 par) common stock at $25 per share. Both issues have been oversubscribed.

The preferred stock represents new financing by the company, which is contemplating a program of modernizing and expanding its manufacturing facilities and plants. The common is part of the 2,635,508 total shares resulting from a recent 4-for-1 split of the old common. The company will receive none of the proceeds from the sale of the common, which was sold to the underwriters by certain stockholders, several of them descendants of Amory Houghton, the founder of the organization.

The 3½% series stock may be redeemed as a whole or in part at $103 per share on or before April 1, 1951; at $102 per share thereafter and on or before April 1, 1954; and at $101 per share thereafter. The 3½% Series stock also is subject to redemption through operation of an annual retirement fund at $101.50 per share on or before April 1, 1951; at $101 per share thereafter and on or before April 1, 1954; and at $100.50 per share thereafter.

The annual retirement fund provides for the retirement through purchase or redemption. on or before June 1 each year commencing in 1948, out of consolidated net income after preferred dividends, of 2% of the total number of shares of the 3½% Series stock theretofore issued.

This is the first time that stock ownership of Corning, one of the two large domestic producers of glass bulbs used in making incandescent lamps, radio and electronic tubes, and cathode ray tubes for radar and television, has ever been made available to the general public. The stock has been closely held by members of the Houghton family since the company was founded in 1851.

York Corporation Bonds Offered

The Union Securities Corp. and Stone & Webster and Blodget, Inc., headed a group of underwriters who offered on April 18 to the public $4,400,000 of first mortgage 3¼% bonds of the York Corp. The bonds, due April 1, 1960, will be priced at 102½ and accrued interest.

Other members of the underwriting group are: Blyth & Co., Inc.; Drexel & Co.; Kidder, Peabody & Co.; W. H. Newbold's Son & Co.; Graham, Parsons & Co.; Lee Higginson Corp.; Paine, Webber, Jackson & Curtis; Bosworth, Chanute, Loughridge & Co.; Alex. Brown & Sons; E. W. Clark & Co., and Yarnall & Co.

Net proceeds from the sale of the bonds, with other funds of the company, will be applied to the redemption of $4,450,000 first mortgage 4¼s, due in 1958, at 105.

Charles L. Churchill To Form Own Firm

Charles L. Churchill will open offices on May 1, 1945 to transact business in municipal bonds under the firm name of Churchill & Co. at 52 Wall Street, New York City.

Mr. Churchill was formerly vice-president of Churchill, Sims & Co., and prior thereto was manager of the investment department of the New York office of H. C. Wainwright & Co.

CANADIAN STOCKS

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Kendall Co. Preferred Stock Being Marketed

An offering of 40,000 shares of Series A $4.50 cumulative preferred stock (no par) of the Kendall Co. was made April 18 by a group headed by The First Boston Corp., Goldman, Sachs & Co. and F. S. Moseley & Co. The price is $103 and accrued dividends.

Associated in the underwriting with The First Boston Corp., Goldman, Sachs & Co., and F. S. Moseley & Co. are: Eastman, Dillon & Co.; Paine, Webber, Jackson & Curtis; Coffin & Burr, Inc.; and Hornblower & Weeks.

Proceeds, together with other funds, will be applied by the company, a manufacturer of commercial textiles and surgical dressings, to redemption of the following outstanding securities: 29,343 shares of cumulative and participating $6 preference stock, at $110 a share and accrued dividend, on June 1; $4,500,000 3½% sinking fund debentures due Sept. 1, 1957; and $1,000,000 2¾% serial notes due 1945-47.

To provide part of the funds required for the redemption, the company has entered into contracts for the private sale of $8,600,000 3% sinking fund debentures due June 1, 1960 and $1,400,000 2½% serial notes due 1945-52.

O. C. Johnson Opens Offices in Spokane

SPOKANE, WASH. — O. C. Johnson is engaging in an investment business from offices in the Peyton Building. Mr. Johnson, who is a member of the Standard Stock Exchange of Spokane, in the past was in business for himself in Greenville, South Carolina.

Louis L. Rogers Company Opens in New York City

Louis L. Rogers has formed Louis L. Rogers Company with offices at 43 Cedar Street, New York City. The new firm will act as dealers and brokers in bank and insurance stocks, industrials and public utility issues.

Mr. Rogers was formerly with Schafer Bros. and Lehman Bros.

On Future Economic Prospects

(Continued from first page)

can do this if we only wish to do so; around our ability to carry the debt burden easily with such an income; around the alleged unwillingness of the government to permit unemployment and a recession; and so on.

Many of our forecasters are bold enough to use the word "will" in discussing what they conclude the economic future of the United States is to be. "Will," unless carefully used, is a most unscientific word, since science does not recognize any law of necessity in the continuation of any sequence of events. Science operates only in the realm of probabilities, a fact that the users of "will" either forget or do not understand.

So far as this author knows, there is no evidence to be obtained from the history of the United States that would justify asserting that after this war we can properly expect the United States to escape primary and secondary post-war reactions, the secondary usually being the more severe and devastating of the two. Such reactions have been the experience of this country thus far, and, if we escape them after this war, it will be a new experience. Although it is true that, from the point of view of science, this past regularity of post-war recessions does not mean that we might not have a new experience, the important point to stress is that, in so far as our knowledge goes, there are no good grounds for believing that we shall escape a repetition of what has been a common experience not only in this country but in others as well.

One may easily be led to conclude that we should expect to have rising prices, beginning with the close of the war, in the light of our huge volume of bank deposits and money in circulation, our extraordinarily low velocity of deposit currency, and the scarcity of civilian goods and services, provided one assumes that certain other factors do not counteract or nullify the pressures which these and similar factors tend to generate. Without having made any tabulation of a majority of current forecasts as to our economic future, this writer nevertheless has the impression that the chief stress is being laid on such factors as this great volume of money and deposit currency, the so-called savings of the people, the scarcity of goods for use in civilian activities, and so on. This point of view seems to have dominated the stock market during the several months preceding the recession, beginning March 6, and also much of the writing of economic and security analysts and forecasters during the same period, if not at present.

But there would appear to be another and an important side of this picture, not to mention still others, to which insufficient attention probably is being given. It is the possibility, if not probability, that governmental policies may take an unfortunate direction at the close of this war, unless President Truman is able to arrest the trend toward a Socialist-Labor government and to inaugurate policies much more encouraging to private enterprise than those that have prevailed in recent years.

After an economic system has made the radical adjustments which a war demands, the readjustments back to civilian activities at the close of the war are likely to be both difficult and disturbing even under a government that is most sympathetic, understanding, and helpful toward private enterprise. The answer as to whether private initiative is to have the opportunity to attempt these readjustments in such a favorable atmosphere apparently must await the unfolding of the policies of our new President.

If, for example, during this period of readjustment, labor leaders should call strikes across this country — and who can properly assert that this is improbable?— they could, apparently, lead the government, under present laws and policies, to take over the industries that are struck. If labor and the advocates of Socialism should continue to dominate the government, these industries could be literally stripped down to the point of bankruptcy, and the stock and bond markets could collapse, all in the face of this huge volume of deposits and money which, though of an extremely explosive nature, might remain inert because of the occurrence of other great disturbances or disasters. One may think of still other disconcerting possibilities such as the use of a variety of excessive and oppressive government controls following the war, and failure of the nations to devise effective means of insuring peace. The fact is that when this war is ended our economic situation seems destined to be loaded with a wide variety of explosive materials. But who can say where, or whether, the lighted match may be dropped?

In so far as reliable knowledge on this matter goes, it would seem that about all anyone can properly do is to speculate as to what may happen — stating the possibilities, and handling gingerly the probabilities, regarding what we may expect. That these possibilities are of several kinds would seem to be obvious. The number of cases of past experience on which we may draw is too few to warrant any great amount of confidence in anyone's ability to do more than guess at what we may reasonably anticipate at the close of this war. In addition to the fewness of these cases, the present situation, quite apart from the change in the Presidency, has in it many new factors which did not exist in the preceding post-war periods.

Since any estimate as to what we should expect during the post-war period can be little if anything more than guessing, the country would be served best if the forecasters would stress the fact that they do not know and cannot possibly know what the future is to bring. It is quite probable that some of the present guesses of forecasters will prove to be correct—since there is such a variety of them! But this would hardly change the fact that they are in nature guesses rather than bits of knowledge based upon evidence which, by scientific handling, has produced the conclusion reached.

It appears reasonably clear, in considering the various possibilities as to the future, that traders in the stock market are at present doing little, if anything, more than gambling. Those anticipating a post-war rise in prices may be gambling in the right direction. Nevertheless, it would seem very wise for those who do much to guide the public's thinking as to what our economic future is likely to be to consider the lack of well-grounded knowledge regarding this matter and to exercise great caution in suggesting what they think or guess the future is likely to bring during the earlier years of the post-war period.

There seems to be a strong tendency in this country, even among those who are supposed to follow the methods of science, to embrace slogans and unscientific appellations, and to accept with very little critical discrimination verbal notions and statistical data such as those alleged to have something to do with national income, national product, and national savings, various crude measures of productive activity, the number of people that some one says "must" be employed at the close of the war, such things as "full employment," "inflation," and "the inflation gap," and a fairly large number of other items of the same general nature.

Considering the fact that science requires careful definition and classification of all data under consideration, much of the current writing in the field of economic analysis and business forecasting does not measure up well on this score. The manner in which undefined or poorly-defined concepts are utilized in supposedly respectable circles, and the way in which unwarranted inferences are drawn from hand-me-down statistical data regarding the nature of which the writer or speaker probably has no reliable information, place the stamp of inferior quality on much of the current discussion of where we are and where we are going economically. It is just as important, from the point of view of science, to indicate what is not known as it is to point out what we believe existing evidence will yield in the way of truth.

The business world and the world in general should gain much if economic analysts and forecasters had a keener appreciation of, and would adhere more closely to, the standards of science. To pretend to know what one does not know is to engage in faking. To attempt to market as reliable information what is nothing but guessing or a hunch or a surmise or wishful thinking is to engage in quackery. To stay strictly within the limits of evidence, to draw no conclusions which the evidence does not warrant, to point out as clearly what is not known as what is known is to follow the path of science and is the only procedure known by which reliable guidance can be provided.

This is under no circumstances to be construed as an offering of these Shares for sale, or as an offer to buy, or as a solicitation of an offer to buy, any of such Shares.
The offer is made only by means of the Prospectus.

50,000 Shares

Corning Glass Works

Cumulative Preferred Stock, 3½% Series
(Par Value $100 per Share)

Price $100 Per Share

Copies of the Prospectus may be obtained from only such of the undersigned as may legally offer these Shares in compliance with the securities laws of the respective States.

Harriman Ripley & Co. Incorporated
Lazard Frères & Co.
Blyth & Co., Inc.
Goldman, Sachs & Co.
Kidder, Peabody & Co.
Lehman Brothers
Mellon Securities Corporation
Smith, Barney & Co.
Dominick & Dominick
Estabrook & Co.

April 17, 1945.

This is under no circumstances to be construed as an offering of these Shares for sale, or as an offer to buy, or as a solicitation of an offer to buy, any of such Shares.
The offer is made only by means of the Prospectus.

412,340 Shares

Corning Glass Works

Common Stock
(Par Value $5 per Share)

Price $25 Per Share

Copies of the Prospectus may be obtained from only such of the undersigned as may legally offer these Shares in compliance with the securities laws of the respective States.

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Smith, Barney & Co.
Dominick & Dominick
Estabrook & Co.
Granbery, Marache & Lord
Lee Higginson Corporation
Merrill Lynch, Pierce, Fenner & Beane
White, Weld & Co.

April 17, 1945.

Fundamentals of Bretton Woods

(Continued from page 1714)

from the effects of this war nor to prevent the next war."

Bretton Woods is the United Nations program for international monetary and financial cooperation. It recognizes that the prompt reconstruction of devastated countries and the development of countries that lack the modern means of production are essential to the establishment of a peaceful world. It recognizes that expanded world trade is to the advantage of all countries and that this is possible only if we have an orderly monetary basis for trade.

The Bretton Woods program grows out of the experience of the 1920's and the 1930's. After the last war there were serious monetary disorders, with many currencies disrupted and some currencies completely destroyed. With considerable sacrifice, currencies were finally stabilized, some at the pre-war parity, others at a new parity, and still others through the establishment of a new monetary system. By 1929 all major currencies were back on the gold standard. This process of stabilization was undertaken unilaterally, each country determining its policy for itself. In some cases there were stabilization loans, and in other cases there were informal discussions among the heads of central banks. But the fact remains that each country regarded currency stabilization as its own exclusive business.

What were the consequences of this method of dealing with international currency problems? Many currencies were overvalued and some were undervalued. In these countries exchange rates were not satisfactorily adjusted to changed economic conditions. When depression came, the whole pattern of exchange rates became untenable. The raw material countries like Argentina, Australia, and Brazil were compelled to depreciate their currencies in 1929. In 1931, Great Britain and the rest of the British Empire, nearly all of Europe, most of South America, and Japan were forced off gold. In 1934, the United States and the rest of Latin America devalued their currencies. And finally, in 1935 and 1936, the countries constituting the gold bloc were forced to abandon gold.

If countries that departed from the gold standard had cooperated to adjust their currencies to the proper level, the world might have been saved from economic disaster. Unfortunately, each country revalued its currency to suit its own interests, and there was a strong tendency toward competitive depreciation of currencies. Even worse, a number of countries used discriminatory currency devices—exchange control, multiple currencies, bilateral clearing and other currency tricks—to secure a larger share of a shrinking volume of world trade. No wonder that between 1929 and 1932 the value of world trade fell by nearly 70 percent; and even after industrial recovery had taken place, the value of world trade in the 1930's remained 40 percent below the level of the 1920's.

Must Avoid Currency Chaos of World War I

We cannot afford to make the same mistakes in dealing with international currency problems after this war. A large part of the world, including Great Britain and the Dominions, is convinced that the difficulties of the 1920's were due to a return to the gold standard. They have stated quite bluntly that they will not return to the old gold standard. Nor is it enough to get countries to return to the gold standard, as in the 1920's. If international currency problems are dealt with by each country for itself, we must expect a repetition of the same unfortunate mistakes; and this time the consequences would be far more disastrous, for countries will employe restrictive and discriminatory practices with greater ingenuity and with increased efficiency.

The experience of the 1920's and the 1930's on international investment is equally enlightening. Throughout the 1920's this country invested freely abroad. In too many instances, loans were made without consideration of their economic soundness and of the ability of borrowing countries to meet their obligations. When the great depression came, we stopped lending almost completely, although we had an export surplus. And when the political and social disorders began in Europe, the capital flight to this country put added pressure on some currencies. After this war, we must make sure that our foreign investment is not haphazard; that loans are made only for productive projects, on reasonable terms, and within the capacity of borrowing countries to pay.

This Government has been aware of the nature of the international monetary and financial problems that would confront the world after the war. The Treasury, the State Department, and the Federal Reserve Board have been working on these problems since 1941. After two years of study within the Government, after a year of preliminary discussion among experts of some 30 countries, the United Nations met at Bretton Woods and prepared proposals for an International Monetary Fund and an International Bank for Reconstruction and Development. These proposals are now before our Congress for consideration.

Fund and Bank Are Simple

Despite the technical nature of the problems with which they deal, the Fund and the Bank are quite simple. We can summarize the fundamental principles of the Fund in four short statements. First, the members of the Fund recognize that international monetary problems are an international responsibility and they agree to deal with these problems through international cooperation. Second, the members of the Fund undertake to maintain their currencies stable and not to change the parity of their currencies except after consultation with the Fund or with its concurrence. Third, the members of the Fund agree, after the post-war transition, not to impose restrictive currency practices and to remove the restrictions they now have as soon as possible. Fourth, countries that abide by these standards of fair currency practice will be given limited help under adequate safeguards to supplement the use of their own reserves in maintaining stable and orderly exchange arrangements.

That is all there is to the International Monetary Fund. The essential features of the Agreement could be stated in three or four pages. The provisions of the Agreement are elaborated in great detail in order to state explicitly the safeguards that have been established to assure the proper operation of the Fund. But these technical details are not of great consequence; they do not modify in any way the fundamental principles. And it is on these fundamental principles that we must pass judgment.

It will not be possible to assure orderly international economic relations in a devastated and undeveloped world. Before the war, one-half of the world's trade was done with Europe. More than half the people of the world still lack the modern means of production. Until Europe has been reconstructed, until the Far East and the American Republics have built up their economies, the post-war readjustment will be half-hearted and halting.

The process of reconstruction and development must be undertaken by each country largely with its own resources, using local labor and local materials. There will be need for some foreign capital, particularly for machinery and equipment. If the necessary foreign capital is provided on reasonable terms for sound projects of reconstruction and development, it will be beneficial to the borrowing countries and to the lending countries. Sound international investment will contribute to the expansion of world trade and will facilitate the maintenance of orderly exchange arrangements.

International Investment an International Problem

The Bretton Woods Conference recognizes that international investment is an international problem, and it proposed the establishment of an International Bank for Reconstruction and Development. The essential principles of the Bank are simple. Private international investment for sound productive projects should be encouraged. If private investors are not prepared to make worthwhile foreign loans, the International Bank will guarantee the loans and, in exceptional cases, it will make the loans out of its own resources. Because the benefits of international investment are world-wide, all countries will share the risks of international loans through the Bank.

It seems to me that the Bretton Woods proposals provide a practical, common-sense way of dealing with urgent international problems. There is general agreement that the proposal for the Bank should be adopted as it stands. There have been suggestions that the proposal for the Fund should be amended or put off. I want to discuss the criticisms of the Fund very frankly because over-emphasis of differences has led many to overlook the far broader area of agreement. I believe that the agreement on principles is broad enough to warrant general support for the adoption of the proposal for the Fund as it stands.

In his testimony before the House Committee on Banking and Currency, Mr. Burgess, the President of the American Bankers Association, said that his Association agrees with the objectives of the Fund. The disagreement, he said, is solely on the methods to be used to attain these objectives. In my opinion, even the disagreement on method is not fundamental; it is very largely a matter of words—a way of saying things.

Mr. Burgess said that currency stablization is not possible until countries have established a sound economic basis for stable and orderly exchanges. No one disputes this; we have said so in the provisions of the Fund. The Agreement states that the Fund is not to accept an initial parity of a currency, if it cannot be maintained without excessive use of the resources of the Fund. The Agreement states that the Fund is not to undertake exchange transactions with any member if its circumstances would lead to use of the resources of the Fund in a manner prejudicial to the Fund or its members. And the Agreement states that whenever a member fails to carry out the purposes of the Fund, including the exchange objectives, the Fund can declare that member ineligible to use the resources of the Fund.

In short, the Articles of Agreement say that the resources of the Fund should be used only by countries that can appropriately use these resources to promote exchange stability, to maintain orderly exchange arrangements, and to avoid competitive exchange depreciation. It is a question of words. We believe that we have said all this as clearly as can be done in an international agreement without being offensive.

Criticism of the Fund

Let me take up in detail some of the objections that have been made to the Fund. Critics have said that "the plan for the Monetary Fund introduces a method of lending which is novel and contrary to accepted credit principles." I am not impressed with the argument that it is reprehensible to use a new method of dealing with an unprecedented situation. But in fact, the Fund is not novel. The United States Treasury has made about 15 bilateral stabilization agreements with 12 countries, with aggregate commitments of several hundred million dollars, and after eight years we have not lost one dollar. The International Fund would undertake exchange operations in precisely the same way and with the same safeguards. The only significant difference is that the International Fund would operate on a multilateral rather than a bilateral basis.

The method by which the Fund makes credit available to members for stabilization purposes is not contrary to accepted credit principles. Of course, it is not done the same way a bank makes a loan to a local merchant. The Fund offers credit in limited amounts to member countries that need such credit to maintain stable exchange rates and freedom in exchange transactions. I submit that a country that in good faith abides by the principles of the Fund, that meets the tests specified in the Agreement, is credit-worthy, and the aid extended to such countries is in accord with the credit principles that should govern stabilization operations.

Critics have said that the Fund is too large, that countries have plenty of reserves. Other countries now hold about 20 billion dollars in gold and official dollar balances. These reserves, though large, are very unevenly distributed and a considerable part will have to be used for relief and reconstruction in the immediate post-war period. Of the 15 billion dollars of gold and dollar reserves that may then be left after these expenditures, not more than 5 billion dollars would be used by countries to maintain stable exchange rates and free-

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NEW ISSUE April 18, 1945

40,000 Shares

The Kendall Company

$4.50 Cumulative Preferred Stock, Series A

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Price $103 per share

Plus accrued dividends from April 1, 1945

Copies of the Prospectus may be obtained from any of the undersigned:

The First Boston Corporation

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dom in exchange transactions. The remaining 10 billion dollars would be retained as emergency reserves for the most critical periods. Before using these funds many countries would feel compelled to adopt extreme devices to protect their last line reserves.

The question is really whether the Fund is too large for the purposes it must serve. Provided the world is reasonably prosperous in the post-war period, we may expect total world trade of more than 80 billion dollars annually. With such a level of trade, first line reserves aggregating 5 billion dollars for all other countries, particularly as such reserves are now distributed, would be inadequate to deal with ordinary swings in the balance of payments. A Fund of 8.8 billion dollars would seem to be large enough to give countries confidence to use their own reserves for currency stabilization and to give them time to work out the necessary corrective measures without employing drastic restrictions.

There is one point on which there seems to be some confusion. Under the Bank, a country has a veto power over any loans made by or through the Bank in its currency. In the Fund, currency transactions are made by the Fund and no country has a veto power. There is an important reason for this distinction. Loans made through the Bank may be exchanged for any currency without restriction, and they could involve a drain on the exchange reserves of the lending country. For this reason, a country should have the privilege of determining whether it is in a position to have the loan made. On the other hand, currency sold by the Fund can be used only to make payments in the country whose currency is sold. Furthermore, each country subscribes gold which may be used to buy any currency needed by the Fund. The sale of dollars by the Fund to make payments in the United States cannot result in a depletion of our exchange reserves. There is no reason, therefore, why a veto should be given to the United States on the sale of dollars by the Fund.

One more objection. There are said to be differences between the United States and England on the interpretation of the provisions regarding exchange rates. There is no real difference on this point. Everybody is agreed on what these provisions say and mean.

Let me put the facts in 1, 2, 3 order. The Articles of Agreement state: first, that the par value of the currency of each country shall be expressed in terms of gold or the United States dollar; second, that the maximum and minimum rates for exchange shall not differ from parity by more than 1 percent; third, that a change in parity may be made only on the proposal of the member and only after consultation with the Fund; fourth, that minor changes in parity aggregating 10 percent may be made after consultation but without the concurrence of the Fund; fifth, that on all other proposed changes the Fund shall either concur or object; and, finally, that if a member changes the par value of its currency depsite the objection of the Fund, the member becomes ineligible to use the resources of the Fund and may be required to withdraw from membership in the Fund.

Now, these provisions are as clear as crystal. There can be no difference of opinion as to their meaning. The difference centers about the name that should be given to these arrangements. It has been said in England that it is not the gold standard. It has been said in the United States that it resembles the gold standard. I think it doesn't make much difference what we call it. It is an arrangement to provide stable and orderly exchange rates. We can leave the selection of the name to scholars to work out at their leisure.

As I consider the objections to the Fund, it seems to me that they are not fundamental. Nobody claims that the provisions of the Fund are perfect. That is why there is an amendment provision. For my part, I have no doubt that experience will show the need for some changes. After we try the Fund for three or four years, it will be easy enough to make any changes needed to improve the work of the Fund. And we can make the changes then without the risk of destroying the work already done for international monetary and financial cooperation.

Part of Comprehensive Plan

The Fund and the Bank are only a part of a comprehensive program for securing a high and balanced level of world trade. The maintenance of stable and orderly exchange arrangements and the elimination of restrictive currency practices are an important first step in this direction. But we must proceed promptly with other measures to raise world trade far above the pre-war level. That is why we have asked Congress to extend and broaden the Reciprocal Trade Agreements Act. That is why we want international agreements to reduce the tariff, quota and other barriers to world trade.

The Bretton Woods proposals are the foundation of the whole structure of international economic cooperation. The Fund puts into effect the principles on stable and orderly exchange arrangements which have been the policy of the United States for ten years. It would be tragic if the groups in this country who are firm believers in the principle of international monetary cooperation were to place themselves in the position of irreconcilable opponents of the Bretton Woods program because of small technical differences on exchange operations by the Fund.

At this time, when the United Nations are gathering at San Francisco to establish an international security organization, all of us have an obligation to consider the Bretton Woods proposals again in the light of the whole program for peace. We cannot be perfectionists. There is only one test that we should apply to the Bretton Woods proposals. Can the Fund and the Bank with intelligent management do a reasonably good job in dealing with post-war monetary and investment problems? I think the answer is "yes." If so, we must get together in support of the Bretton Woods program.

Death of F. G. Herbst

Frederick G. Herbst, Vice-President in charge of the Corporate Trust Division of Irving Trust Co., New York, died April 12 in St. Luke's Hospital of coronary trombosis after a short illness. He was 53 years old. For a number of years he resided in East Orange, N. J., moving to 444 East 57th Street, New York, about a year ago.

Born in New York Dec. 8, 1891, Mr. Herbst entered banking in 1909, but continued his studies, graduating from New York University in 1912. After serving as Auditor and Comptroller of Columbia Trust Co. he became an Assistant Secretary when that institution was merged with the Irving in 1923. Since 1925 he had been associated with the company's Corporate Trust Division and was elected a Vice-President in 1930.

For a number of years Mr. Herbst was active in the New York Stock Transfer Association, of which he was Treasurer at the time of his death.

First California Company Buys Bankamerica Co. Security Business

New Firm Successor to Geo. H. Grant & Co.

Effective April 16, 1945, the security business of Bankamerica Company will be sold to First California Company, it is announced by A. O. Stewart, Chairman of the Board of Bankamerica. All offices and the service facilities formerly maintained by Bankamerica Company will be continued by First California Company and substantially all of the present personnel will be associated with it.

Geo. H. Grant of the San Francisco and Oakland firm of Geo. H. Grant & Co., simultaneously confirmed purchase of the security business of Bankamerica Company investment concern and the organization of First California Company.

Mr. Grant stated that the sales and office personnel of the concern's offices in 16 California and Nevada cities would be retained and that service to the firm's clientele would be maintained without interruption. He also announced that Earl Lee Kelly, well known throughout California as a bank official and as former State Director of Public Works, was to become associated with him.

Mr. Kelly disclosed he was resigning from his banking post to devote his full time to the affairs of the Grant firm, which henceforth is to be known as the First California Company.

Both Mr. Grant and Mr. Kelly have had long experience in the field of finance, the former having been in the investment and underwriting business in the Bay Area for 25 years. He is a graduate of Oakland High School and attended the University of California at Berkeley, establishing his own business in 1924. He has been a very active worker for the Oakland Boys Club and is a member of the Claremont Country Club, Athenian Nile Club and the Commercial Club.

Mr. Kelly, upon his graduation from the University of California in 1915, entered the title insurance business in Redding. He is a veteran of the last world war and is the only man in California to have held the position of State Director of Public Works under two governors. He was appointed originally by Gov. James Rolph, Jr., and continued on under Gov. Frank F. Merriam. In 1938 he joined the Bank of America as head of the Business Extension Department and at present is one of the senior officers of that institution.

Sale of the securities business of Bankamerica Company occurs in connection with liquidating the assets of Pacific Coast Mortgage Company, of which Bankamerica Company is a wholly-owned subsidiary.

Bankamerica Company will for the present continue its corporate existence for the purpose of managing its portfolio of investment securities. Its name will be changed to Pacific Affiliate, Inc., in order to eliminate any confusion due to similarity between the names Bankamerica Company and Bank of America N. T. & S. A., between which organizations no corporate connection exists or has existed for several years past.

Put & Call Men Elect

S. Harnden has been re-elected president of the Put and Call Brokers and Dealers Association for the fourth consecutive term. Charles S. Godnick has been named for another three year term on the board.

Frank V. Stockenberg has been elected a member of the Association, it is announced.

Snyder Heads RFC

President Truman on April 17 nominated John W. Snyder, St. Louis banker, to fill the vacant post of Federal Loan Administrator.

Advices from the New York "Sun" Washington Bureau announced:

The Federal Loan Administrator's post has been open for several weeks, when its former occupant, Judg Fred M. Vinson left to take over the work of James F. Byrnes, who had resigned as head of the Office of War Mobilization.

Mr. Snyder is at present the Executive Vice-President of the First National Bank of St. Louis a post he recently took after resigning from government work He has worked for some time with the RFC, the DPC and other allied agencies, as wel las being a banker, a business that he went into following the last world war.

Sherow Now Partner In Hilbert & Company

Alonzo B. Sherow has been admitted to partnership in the New York Stock Exchange firm of Hilbert & Co., 120 Broadway, New York City, it is announced. For the past seven years, Mr. Sherow was bond and syndicate manager of Montgomery, Scott & Co., and before that, he was associated with Paine, Webber & Co.

Wm. C. Chadwell Forms Own Firm in Reno, Nev.

RENO, NEV.—William C. Chadwell has formed Wm. C. Chadwell Company with offices at 73 Sierra Street to deal in investment tru railroad, bank, and public utility securities. Mr. Chadwell was formerly with J. A. Hogle & Co. and Bankamerica Co.

This advertisement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offering is made only by the Prospectus.

Bell & Howell Company

30,000 Shares
Cumulative Preferred Stock, 4¼% Series
(Par Value $100 per Share)

Price $103 Per Share

150,000 Shares
Common Stock
(Par Value $10 per Share)

Price $15 Per Share

Copies of the Prospectus may be obtained from only such of the undersigned as may legally offer this Stock in compliance with the securities laws of the respective States.

Harriman Ripley & Co.
Incorporated

Lehman Brothers **Kebbon, McCormick & Co.**

A. G. Becker & Co. Incorporated **William Blair & Company** **Bacon, Whipple & Co.**

Paul H. Davis & Co. **Hemphill, Noyes & Co.**

April 18, 1945.

Interest free from present Federal and
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$350,000

Imperial Irrigation District

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3½% Bonds

Due January 1, 1983 optional 1954-62

To yield 2.10% to 2.50%

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Municipal News & Notes

D. R. Bonniwell, Finance Director of the Banco de Fomento de Puerto, and financial adviser to the Insular Government of Puerto Rico, will arrive in New York City on Friday, April 20, to discuss present and future financing and refinancing programs of the government and its agencies, authorities and municipalities.

Announcement of Mr. Bonniwell's mission was made by Rafael Buscaglia, Treasurer of Puerto Rico. Mr. Bonniwell will stay at the Waldorf Astoria Hotel for a period of two weeks.

The Banco de Fomento is an instrumentality of the Insular Government and has also been designated as fiscal agent of the Treasurer of Puerto Rico. Early in March the bank sold at competitive bidding a block of $2,000,000 2½% electric revenue bonds of the Puerto Rico Water Resources Authority to a syndicate headed by Stranahan, Harris & Co., Inc.

The group purchased $1,000,000 schedule A bonds, maturing Jan. 1, 1950 to July 1, 1952, at a price of 106.16, and $1,000,000 schedule B, due Jan. 1, 1964 to July 1, 1968, at 106.36. All of the bonds are dated Jan. 1, 1944 and are callable on July 1, 1947, at 104. Several other groups entered bids for the bonds.

New Jersey State Fund Asks Bids on $4,944,200 Local Municipals

Secretary John A. Wood, 3rd, has made public details of the $4,944,200 New Jersey municipal bonds being offered for sale on May 1 by the State Teachers' Pension and Annuity Fund. The bonds will be sold via competitive bidding and consist of $1,160,000 maturing from 1945 to 1951 inclusive, and $3,784,200 due serially from 1950 to 1961 inclusive. The offering includes 45 separate blocks of high grade registered bonds and sealed bids must be made for each individual block.

Mr. Wood advises that tenders will be opened by the Board of Trustees of the State fund at 2 P.M. on May 1, at their offices, Room 1307, Trenton Trust Bldg., Trenton, N. J. The fund is no stranger to the municipal market, having previously disposed of substantial amounts of its portfolio of investments on very good terms.

Los Angeles Electric Revenue Issue of $9,650,000 Awarded

The Los Angeles, Calif., Department of Water and Power was the recipient on Tuesday of an impressive tribute to the high investment rating accorded its obligations, having effected award of $9,650,000 electric plant revenue refundings at a net annual interest cost basis of only 0.934%.

The successful bidder was a syndicate headed by Glore, Forgan & Co., which immediately re-offered the bonds at prices to yield from 0.20% to 1%. The issue is due serially from 1946 to 1959 inclusive, and the bonds maturing after 1950 are subject to call in that year. Keen competition attended the sale, with Harriman Ripley & Co., Inc. and Associates, the next highest bidder, offering to take the bonds at a net cost to the issuer of 0.959%.

Craven County, N. C., Offers $2,400,000 Refundings

Craven Co., N. C., is asking for sealed bids until April 24 on an offering of $2,400,000 refundings, due serially from 1946 to 1981 inclusive. On Oct. 24 last the county unsuccessfully offered a total of $3,000,000 refundings, having rejected as unsatisfactory the two offers submitted. These, according to report, provided for net interest cost of about 3.14% and 3.15%, respectively, as compared with the 3% basis which the county is said to have desired.

In view of the greatly improved price level of the municipal market since the occasion of last year's offering, the prospect is that the county will receive bids more to its liking for the current offering of $2,400,000.

Chattanooga, Tenn. Exchange Offer Ends May 31

Wainwright, Ramsey & Lancaster of New York, fiscal agents for the City of Chattanooga, announce that holders of the following maturities and bonds of the city have until May 31 to exchange them for debt equalization bonds:

Maturity—	Amount
8-1-1955 to 5-1-1956	$196,000
8-1-1956 to 7-1-1957	96,000
8-1-1959 to 6-2-1960	88,000

The new bonds available in exchange for the foregoing include $380,000 series G, due 1965 or 1966.

Wainwright, Ramsey & Lancaster, whose offices are at 70 Pine Street, New York City 5, point out that holders of $5,755,000 bonds have already exchanged and that acceptance of the offer by holders of the above-mentioned obligations will complete the program. However, they must act in the matter prior to May 31, 1945, as bonds cannot be exchanged after that date.

The offer, it is stated, represents an opportunity for the holders of the bonds in question to profit both from the standpoint of yield and security. Complete information regarding the terms and method of exchange may be obtained by bondholders from local bond dealers or from Wainwright, Ramsey & Lancaster.

Atlantic City May Levy Sales Tax

Governor Walter E. Edge of New Jersey signed on April 14 a bill empowering Atlantic City, N. J., to levy immediately a 5% luxury tax to provide funds with which to repair municipal property damaged by the hurricane last September. Although voicing opposition to sales taxes as a general principle, the Governor acceded to the Atlantic City levy because of its local application and in the belief that it "appeared to have the approval of a decided majority of those who will be benefitted."

The Governor originally intended to permit the measure to become a law without his signature, but decided that such a course might have cast doubt as to its validity. Atlantic City is expected to receive between $500,000 and $800,000 annually in consequence of the levy.

$2,919,000 Sarasota, Fla., Refundings Offered Privately

A group composed of Shields & Co., Allen & Co., Municipal Bond and Investment Co., Cohu & Torrey, and Leedy, Wheeler & Co., purchased at public sale $2,919,000 Sarasota, Fla., refunding bonds of 1943 at a price of 102.51.

The bonds represent the unexchanged portion of an original issue of $5,199,000 for which the group acted as exchange agent for the city. Shields & Co. and associates announced that the bonds just purchased will be offered privately, rather than to the public.

The bonds are dated November 1, 1943, and mature as follows: $239,000 3s, series A, May 1, 1951-61; $154,000 3¼s, series B, May 1, 1964-71; $211,000 3½s, series C, May 1, 1973-80; $151,000 3½s, series D, term bonds due May 1, 1981, redeemable at any interest date; $2,164,000 3s, series E, term bonds, due May 1, 1981 optional November 1, 1953.

National Park, N. J. Refunding Sale Approved

The New Jersey Local Government Board recently approved the proposal of the Borough of National Park to make a private sale of $320,000 refunding bonds to Bioren & Co., Philadelphia. The refunding of the outstanding debt of the borough, as provided in the agreement between the municipality and the bond issue, is expected to result in a saving to the community of about $60,000.

IMPORTANT NOTICE TO HOLDERS OF

City of Chattanooga, Tennessee Bonds

The following maturities and amounts of bonds may still be exchanged for Debt Equalization Bonds until May 31st.

$196,000 due August 1, 1955, to May 1, 1956, Incl.
$96,000 due August 1, 1956, to July 1, 1957, Incl.
$88,000 due August 1, 1959, to June 2, 1960, Incl.

NEW BONDS AVAILABLE

$380,000 Series G due 1965 or 1966

An opportunity to profit both from the standpoint of yield and security is offered to remaining holders of eligible general obligation bonds for the New Debt Equalization Bonds.

Holders of $5,755,000 have already exchanged. The exchange of the above bonds will complete the plan. If you hold any City of Chattanooga bonds of the maturities included above, you may obtain full information from your local bond dealer or the undersigned.

Bonds Cannot Be Exchanged After May 31, 1945.

WAINWRIGHT, RAMSEY & LANCASTER
Fiscal Agents for the City of Chattanooga
70 Pine Street, New York 5, N. Y.

April 19, 1945

Needed: A Balanced Budget With Less Government Spending

(Continued from page 1714)

many areas which has seriously multiplied the problems of management. In ordnance and shipbuilding, in the production of steel, aircraft, chemicals and many other vital products, your state has written a chapter in her glorious history never to be forgotten. In this great effort I know that you bankers have played an important part.

Directly, and through the government, you have helped to supply the credit that was needed, and in other ways have facilitated the operation of the financial machinery essential to Maryland's great contribution to the war effort. It goes without saying that you will gladly continue to give your full energies to the winning of the war until the job is completely done. While still deeply engaged in war work you are and should be concerned with the welfare of the human factors and the well-being of our national economy. The questions are: Will our government, after the war, live within its income and foster business growth, or will it take the easy way of deficit financing leading to political regimentation of business and unavoidably to the destruction of the American system of free enterprise?

The Balance Budget Policy of 1933

As I consider these questions my mind goes back to 1933, when I went to Washington as part of an administration committed to the principle of a balanced budget, to the correction of certain practices in our security markets, to the strengthening of our banking system, to the extension of certain benefits to labor, to the establishment of a plan of social security and to certain other reforms—all of which, as then contemplated—were thought to be consistent with the tenets of free enterprise. In the years that followed, this purpose was sometimes lost to sight in the scramble by opposing groups for power, for benefits and for the advancement of pet theories of government. As government yielded to the pressure of one group, others were encouraged to increase their demands and to exert greater pressure for the special advantages useful to them. Where, we are prompted to ask, is this trend leading us? The question, casually considered, may seem remote from everyday banking, but I subumit that the changes which have occurred in your balance sheets in recent years are, in a large measure, merely symptoms of this growing tendency to look to government for subsidy, for credit, for insurance; in short, for security against risk of every kind. I am speaking now of a trend which was pronounced at the time of our entrance into the war, and not of activities assumed by the government in the promotion of our war effort. The question now is, whether at the end of the war this trend will be accelerated, or whether we may look forward to a period in which a serious effort will be made to balance the budget, in which business can be reasonably free from the threat of more controls and more government competition, a period in which we can test by experience the value of the many new laws which have been placed on the statute books during the past few years.

The prospect is not altogether encouraging. The appetites of many special groups have been whetted in past years by the tender morsels served them at the Washington table. They have succeeded in placing representatives in many important places in government, and their spokesman have become adept in special pleading. Let us consider the problem of attaining a balanced budget. It is estimated that the annual cost of servicing the debt after the war may equal or exceed the total national budget for any peace time year prior to our intensive preparation for war. This fact alone should be sufficient to direct the thinking of all Americans along the lines of effecting, when the war is over, every possible economy in government expenditures. Instead, we find that the groups which advocated liberal spending in the past have even more grandiose plans for the future. One such advocate had occasion not long ago to expound this philosophy of government to a committee of the United States Senate. The statement was a sort of blue print for a fuller, richer life. No man interested in the welfare and happiness of his fellow citizens could read it without hoping that the time may come when Americans may enjoy the great advantages there enumerated. The first point mentioned was the need, when the war is over, for full employment, with higher wages and shorter hours. This, it was argued, should be accomplished by having the government stand by, ready at all times, to provide employment for those not absorbed by private business.

Nor was the farmer forgotten. It was proposed that government place a floor under farm prices and so insure the farmer against a fall in the market value of farm products. And that is not all! The farmer would be provided with better housing, and rural electrification would be expanded to the utmost to make rural life more comfortable. Turning to the problem of improving the health of the American people, this remarkable document would have the government assume the responsibility of building hospitals in all communities not now having such facilities, and of providing adequate medical care for all citizens.

Likewise, under this philosophy, better education would be made available to everyone. The statement was made that technical and higher education must, in the future, be made just as universal as secondary education has been in the past. There were other recommendations for government guarantee of a better life and greater individual security. Many were laudable objectives, but there was one point, to some of us a very important one, which received only casual reference. I refer to the simple question of "where is the money coming from?"

Liberal Spenders Still in Administration

The school of thought which has been prominent in recent years in advocating public spending would answer simply by saying that if government sees to it that we have a high national income the budget will take care of itself. One group of self-appointed experts on budgetary matters would go even further and assure us that a balance between income and expense is not necessary, and that there is no reason why the government of the United States should not go on indefinitely spending more than it collects. We can be thankful that this brand of "progressive" thinking is not accepted by the great majority of our representatives who make the laws and administer the various departments of government. The fact remains, however, that the advocates of liberal spending are still retained in important official positions. Periodically they are allowed to expound their views on financial questions under circumstances seeming to indicate that they have substantial official backing. This sort of thing has been a constant deterrent to the development of confidence in the financial policies of the government on the part of people in every walk of life. It is my considered opinion that nothing could contribute more to the building of confidence in the future of this country, here and abroad, than unequivocal assurances, backed by action, that we will strive to attain a balanced national budget at the earliest possible time.

In this respect perhaps we could learn a lesson from Prime Minister Churchill, who recently had occasion to define the position which he believes the British Conservative Party should take in the next general election. He said:

> "There is one thing we shall certainly not do. We shall not bid for votes or popularity by promising what we cannot perform, nor shall we compete with others in electioneering baits and lures. It would be very easy for us all to promise, or even to give each other, presents, bonuses and gratuities in a most enthusiastic manner; but if we woke up in the morning and found that the pound sterling only bought five shillings' worth of goods or services, we should have committed a great crime."

We must, of course, achieve and maintain a high national income after the war and we must reconcile ourselves to carrying a heavy tax burden for many years. At the same time we have to recognize that the levying of taxes is not the sole means of bringing the budget into balance. Control of expenses is also important and we must give due regard to both factors if we are to solve the enormous financial problem which will confront this country at the conclusion of the war. This is no time to lay plans for things which are not essential and which we cannot afford, no time to encourage pressure groups, no time to lead people to think that all self denial and sacrifice will end with the armistice.

I want this gathering to understand distinctly, that in what I have to say about the need for economy in government I have made no reference to post war expenditures for the maintenance of our armed forces. I would here give great weight to the advice of Gen. George C. Marshall, Chief of Staff of the United States Army, and Admiral Ernest J. King, Chief of Naval Operations, as to the extent of our military and naval needs in time of peace. They are entitled to our respect and confidence on questions concerning appropriations for the Army and Navy in the years ahead.

Balance Budget Essential

Just as there has been no absence of convincing assurance that all possible effort will be made to balance the budget after the war, so we are left to speculate on the question of the post-war attitude of government towards private business. Businessmen are aware of the challenge confronting them. Their appreciation of the importance of maintaining high employment is evidenced by the fact that they speak of the number of post war jobs which they hope to offer as an objective of at least equal importance with the volume of goods which they plan to produce. It can be said with certainty that business leaders are in a frame of mind to make free enterprise work more effectively than ever before. But what will be the attitude of government? Will business be encouraged to go forward, to expand and improve plants and to make commitments with labor, with producers of raw materials and the distributors of finished products? This question is uppermost in the minds of bankers and businessmen throughout the nation. Not that we are fearful of the avowed enemies of the free enterprise system. They are few in number and they seldom attain positions of power. The men who will bear watching are those who profess to believe in free enterprise, but with certain conditions always attached, such as: provided it is helped by government, supplemented by government, regulated by government, protected by government against its own weaknesses, etc., etc. There are the same self-styled friends who say: "If industry doesn't provide full employment, government must step in and take over," having all the time a plan for that purpose in their inside pockets, ready to be flashed on the public the minute industry fails to perform to their liking.

This constant goading of business, of threatening more regulation and more government competition has prevented us from realizing the full benefits of a free economy. You bankers have had first-hand experience with government competition. I understand that in the lending field you are required to compete with forty-six different public agencies, and that you are now being threatened with more. You have indeed had a full experience with that technique by which officials soberly proclaim that credit for this or that is needed, and that unless the bankers meet the situation government will do the job. This kind of announcement, as we have seen many times, is an invitation to all groups to come in and ask for help. Soon a new pressure group is organized, and free enterprise is threatened with the loss of another foot of precious ground.

Government Credit Agencies Not Needed

In the early years of the depression it was necessary for government to supply credit for certain purposes which could not for good reasons be satisfied by private lenders. The need then was obviout to everyone. Today the situation is entirely changed. Our capital markets are functioning vigorously and effectively both as regards equity and long-term debt. The banks are on the job looking for chances to lend money. I know that you are pounding the pavements and pushing into the byways looking for business requiring bank credit. I have been particularly interested in reading of the formation by banks in various parts of the country of your so-called "bank credit pools." The wisdom of adopting these measures is clearly apparent. By these means you have made certain that no credit application need be denied before it has been carefully scrutinized by a group specially set up to find ways of satisfying credit requirements which, for one reason or another, fail to meet the tests of a particular lending institution. To me, and I am sure to many people, these credit pools are symbolic of the desire and determination of bankers to make sure that no legitimate business will be hampered by lack of bank financing in the great program of production and employment to which we look forward after the war.

What more can bankers do to insure a healthy economy after the war? What more can they do to help arrest this invasion of government into the sphere of business? The methods of influencing government which have been most popular in recent years are not available to you. You cannot go to Washington and, by the sheer weight of your numbers, computed in terms of ballots, have your views accepted, no matter how sound they may be. You have to rely instead upon your ability to search out the truth and lay it clearly before your fellow citizens. Your motives will often be questioned by people who claim to know better, and your recommendations will be trampled upon by groups bent upon immediate gains without regard to final consequences. In time, however, your opinions will be heeded, and it will be found that you have cotributed greatly to intelligent public thinking. It is vital that you continue to study and express your thoughts on the great issues confronting us. All have financial implications, all have a bearing on the momentous question of whether we shall restore order to our domestic financial affairs, and so maintain the strength to exert wise and constructive influence in the solution of international problems.

Bankers' Contribution to Stability

The banks have made a real contribution in keeping inflationary tendencies under control. From the beginning of our war effort your leaders have been outspoken in recommending measures to prevent prices from getting out of hand due to the high national income and a limited supply of goods. Bankers have welcomed the opportunity to play an important role in the plan to divert income into government bonds. They have gladly carried a heavy burden, both in spreading the Treasury message to save, and in pressing the sale of bonds. Thus far we have been remarkably successful in keeping prices under control, but the threat is by no means ended. As purchasing power piles up the task is likely to become more difficult. We must remember, too, that a return to the manufacture of civilian goods will not, in itself, end the threat of high prices. The process of making such goods also generates purchasing power, which in turn adds to the pressure on prices. The fight against inflation will therefore go on even after the struggle on the battlefield is won. To you who appreciate the importance of the effort, to you who are capable of devising means of combating this threat to the integrity of our economy, falls the duty of continuing leadership.

Another problem, in the solution of which the nation will look to you for guidance as the war draws to a conclusion, is that of reconverting our industrial machinery from war production to its normal peace time functions. Bankers are specialists in credit operations essential to the full production of war goods. From now on you will be called upon increasingly for expert assistance by industries which are planning for peace. The prospect of government contract cancellation is grim indeed for industries whose working capital is largely tied up in receivables, inventory and partially completed goods. They must find ways of converting these assets into cash if they are to contribute to the production of goods and the employment of returning veterans. You can't solve all such problems, but you can advise customers and exert wise influence in dealing with such cases.

In recent months it has become important to consider some revision in the law to enable companies to have the benefit of their post-war refund during the period of reconversion, when some of them may face a serious struggle for survival. Likewise, it is important to remove from the tax laws impediments to post war business activity. I am not suggesting that the government can do with less income. Everyone recognizes that tax receipts in the future must exceed by a wide margin our pre-war revenues. But, we should use the taxing power in ways that will encourage and sustain the spirit of enterprise. Whether we call it incentive taxation or something else, the fact remains that moderate taxation on a large volume of business is much to be desired over higher taxes and only moderate business.

The Task Ahead

We must not permit the magnitude of the task ahead to dull our hopes or deterimnation to build a better America and a better world. We can find encouragement in the emphasis which government leaders now place on the need for post-war jobs. Perhaps this is a sign that government in the future may give more consideration to the problems of the great body of American employers. Perhaps it foretells a renewal of faith in the dignity and strength and ingenuity of the individual, whether he be a worker on the line, a scientist, or just a plain business manager.

In mobilizing its great human and physical resources for war production American business sought no favors, only a fair chance to meet the greatest challenge in its history. It asks no favors now, only a fair chance when peace arrives, to accomplish reconversion and set in motion our great industrial machinery in the interest of a better life for all.

War Loan Chairmen

Louis G. Meuer, Jr., Assistant Treasurer, Marine Trust Company, Buffalo, and George S. Mills. Vice-President, Commercial National Bank and Trust Company, New York, have been named war loan chairmen for upstate and downstate New York respectively, and Henry Bruere, President, Bowery Savings Bank, New York, has also been named chairman as a representative of the Mutual Savings Bank Association to head up activities of the American Bankers Association in working with the various state-wide finance organizations during the Seventh War Loan Drive from May 14 through May 30.

The appointments were made by ABA President W. Randolph Burgess as part of the association's war loan organization bringing together 15,000 member banks throughout the United States in a coordinated effort to assist the Treasury in reaching its $14 billion goal during the Seventh War Loan, including $4 billions in E bonds.

As the New York State Bankers Association's War Loan chairmen, Mr. Meurer and Mr. Mills will coordinate the program of the national association with those of New York State's 700 commercial banks. Each of the state association's seven upstate regional groups will form an organization to encourage bond sales contests and promotion and intrabank reporting of sales.

This advertisement appears merely as a matter of record as all of these Bonds have been sold.

New Issue

$4,400,000

York Corporation

First Mortgage Sinking Fund Bonds
3¼% Series Due April 1, 1960

UNION SECURITIES CORPORATION
STONE & WEBSTER AND BLODGET INCORPORATED
BLYTH & CO., INC.
DREXEL & CO.
KIDDER, PEABODY & CO.
W. H. NEWBOLD'S SON & CO.

April 18, 1945

"Selling" Bretton Woods to the Country

(Continued from page 1716)

have "a decisive effect upon many Senators and Congressmen," particularly Senators Bankhead and Capper, where the lobbying "could be decisive in formulating (their) position." The New Republic similarly has stated in an editorial: "A campaign of public education is in order."

Treasury "Selling" the Program

For some newspaper columnists and radio commentators the Secretary of the Treasury has held special Bretton Woods briefings, with lunch served on the side. This is apart from the regular press and radio conference of the Secretary. The Secretary now has some full-time publicity talent working exclusively for Bretton Woods in the radio and publication fields.

Several speeches by the Secretary, as well as by other Administration members, have been broadcast nationally, and a number of other special broadcasts on the subject have been arranged so as to give the Administration's Bretton Woods story "the breaks." In fact, Mr. Morgenthau has frankly stated to the press his intention "to 'sell' the pact to the people." A Philadelphia newspaper quotes the Secretary as stating that, if the public can be made rightly to understand them, the Bretton Woods proposals will have a good chance in Congress.

Some reporters have disclosed seminars which Treasury officials have had on Capitol Hill with groups of members of the Congress, quietly and unofficially. Some Congressmen, who have criticized the program publicly, have received letters from Secretary Morgenthau offering to send his experts to the Hill to explain the Fund and Bank plan in its true light.

Even the movies, it is reported, are being used by the Treasury Department to promote Bretton Woods.

Government Speakers

Nor should Government speakers be overlooked. Special speakers seem to be available to address organizations in any part of the country on Bretton Woods, and at least two members of the Treasury's Division of Monetary Research seem to have been doing little if anything else for several months.

When it comes to publicity, the Government has not only special advantages in the field of broadcasting and, with the franking privilege, in the direct-by-mail approach, but also with the press. This arises from the fact that the Government can get a story into the newspapers practically at will, by issuing a mineographed press release to the reporters in Washington. The Government makes news, and reporters are hungry for news.

Government Activities Tabulated

Below are tabulated some of the Government's activities designed to promote the Bretton Woods program. The list is in no sense complete. It does not include any press release or press conference, any testimoney before Congressional committees, or any departmental literature not signed by an individual. It does not include speeches by such government spokesmen as James Byrnes, Leo Crowley, Lauchlin Currie, Harry Hopkins, Henry Wallace and others, who have plugged for the Bretton Woods program in the course of speeches or reports on some other topic. Nor does it include Presidential messages.

Considering all that has been done to push the Bretton Woods program, it is surprising to read of a poll which disclosed, in February, that only a possible 100,000 persons in the United States are moderately conversant with the program. Definitely the work will go on.

GOVERNMENT SPEAKERS PROMOTING BRETTON WOODS PROGRAM

Speaker—Secretary of the Treasury Morgenthau.

Group addressed—MBS nationwide broadcast (with Harry D. White, Asst. Secy. of State Dean Acheson, Sen. Chas. W. Tobey and E. E. Brown) Aug., 1944.

* * *

Speaker—Secretary of the Treasury Morgenthau, a member of the U. S. delegation at Bretton Woods.

Group addressed — Blue Network nationwide broadcast on CIO program, January, 1945; Blue Network nationawide broadcast from St. Louis, February, 1945; Blue Network nationwide broadcast from Detroit, February, 1945; MBS nationawide broadcast from Minneapolis, March, 1945.

* * *

Speaker — Assistant Secretary of the Treasury Harry D. White, a member of the U. S. delegation at Bretton Woods.

Group addressed—Representatives of 50 women's organizations at a meeting in Washington, September, 1944; National Foreign Trade Convention, New York, October, 1944; Foreign Policy Association forum, New York, October, 1944; New York University, Institute on Post-War Reconstruction, October, 1944; National Lawyers Guild Committee on Post-War Planning, Washington, D. C., December, 1944; meeting of representatives of 106 pressure groups under chairmanship of Americans United For World Organization, Washington, D. C., February, 1945[1]; United Nations Forum, Washington, D. C., March, 1945; N. Y. Newspaper Guild, April, 1945.

* * *

Speaker—Undersecretary of the Treasury Daniel W. Bell.

Group addressed — Kiwanis Club of New York, March, 1945.

* * *

Speaker — Assistant Secretary of the Treasury Herbert D. Gaston.

Group addressed—Banking session of National Foreign Trade Convention, N. Y., October, 1944; Citizens Conference on International Economic Union, Washington, D. C., March, 1944; Christ Church Forum, New York, September, 1944; Lower East Side Citizens Committee on World Organization, April 19; Chartered

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[1] This meeting was also addressed by other speakers from the Treasury, State and Commerce Departments.

(Continued on page 1740)

WHAT ½ WILL DO

How much did you spend last year on things that weren't necessary? On things that weren't even much fun? Make a rough estimate.

Then ask us what HALF of that will buy in providing additional protection for your family, additional income for you, yourself, at retirement age.

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Bank and Insurance Stocks

This Week — Bank Stocks

By E. A. VAN DEUSEN

Most New York City banks showed a gratifying improvement in first quarter earnings, compared with the first quarter of 1944. In the accompanying tabulation the earnings for 11 of the 17 banks are "indicated", while earnings for the other 6 are net operating profits as reported by the banks, exclusive of security profits.

Security profits in some instances have been quite substantial. Chase, for example, had net security profits of 42¢ per share, compared with 9¢ for the first quarter of last year, giving total current earnings of $1.02, as against 71¢ in the 1944 first quarter.

National City, including City Bank Farmers Trust, had net security profits of 46¢, against 31¢ in the first quarter of 1944, giving total current profits of $1.14 vs. $0.83. Guaranty also had substantial net security profits amounting to $2.72, against $2.14 in 1944. Guaranty's total current profits thus amounted to $6.72, compared with $6.71 in 1944, although net operating profits alone, as shown in the table, were only 87.5% of net operating profits in the March quarter of 1944.

	First Quarter 1944			First Quarter 1945		
	Net Earnings Per Share	Book Value Per Share	Earning Assets Per Share	Net Earnings Per Share	Book Value Per Share	Earning Assets Per Share
Bank of Manhattan	*$0.42	$25.26	$388.81	*$0.53	$26.48	$445.58
Bank of New York	*6.72	362.19	4,886.38	*8.08	421.67	5,345.61
†Bankers Trust	*0.73	42.23	490.88	*0.92	46.35	485.19
Central Hanover	*1.30	99.45	1,277.19	*1.50	105.46	1,416.25
Chase National	‡0.62	37.57	515.28	‡0.61	39.51	529.46
Chemical	‡0.88	41.50	518.06	‡1.00	45.72	558.00
Continental B. & T.	*0.41	23.47	286.82	*0.50	24.77	351.25
Commercial National	‡1.03	49.73	522.62	‡1.06	52.51	569.49
Corn Exchange	*0.94	49.69	649.15	*1.19	51.49	763.95
First National	*23.66	1,250.26	9,555.72	*27.10	1,297.97	8,710.79
Guaranty Trust	‡4.56	326.96	3,050.40	‡4.00	339.05	3,283.09
Irving Trust	*0.24	21.38	185.55	*0.28	21.79	193.78
Manufacturers Trust	‡0.99	42.24	678.90	‡1.25	45.35	834.01
§National City	‡0.55	38.54	551.97	‡0.68	41.44	604.36
New York Trust	*1.60	86.06	1,000.72	*1.88	89.73	1,060.83
¶Public National	*0.91	44.50	666.05	*1.08	47.31	832.04
United States Trust	*16.88	1,519.38	6,486.40	*15.93	1,528.50	7,236.25

*Indicated earnings. †1944 earnings, book value and earning assets adjusted to present capitalization after 20% stock dividend. ‡Net Operating earnings before security profits. §Includes City Bank Farmers Trust. ¶1944 earnings, book value and earning assets adjusted to present capitalization after 10% stock dividend.

The average improvement in the per share earnings of the 17 banks, as tabulated, is 8.2%. Meanwhile the average increase in earning assets per share was 10.7%, thus earnings have not kept pace with the growth in earning assets. This narrowing of the profit margin can be accounted for by the increasing cost of doing business, by higher taxes and by a somewhat larger proportion of low-interest short-term Government obligations in the banks' portfolios.

It is of interest to note that Bankers Trust's earning assets declined fractionally, and that it is the only bank in the group to report lower figures. First National's earning assets increased only 1.6%, Chase's increased 2.7% and Irving Trust's 4.3%, which are substantially below average. On the other hand, considerably above the average of 10.7%, was Bank of Manhattan's increase of 14.6%, Continental's 22.3%, Manufacturer's 22.8% and Public National's 24.9%.

It is gratifying to note that earnings are well ahead of dividend requirements and that consequently book values continue to advance. They now average approximately 4% above the values of a year ago. The steady year by year growth in book values is of great significance and testifies to the sound progress that has been achieved by the banks since the dark days of the 1933 "bank closings."

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& SURETY CO.
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TOTAL ASSETS
£115,681,681

Associated Banks:
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Glyn Mills & Co.

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BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)

Paid-Up Capital	£8,780,000
Reserve Fund	6,150,000
Reserve Liability of Prop.	8,780,000
	£23,710,000

Aggregate Assets 30th Sept., 1944	£208,627,093

SIR ALFRED DAVIDSON, K.B.E.,
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Head Office: George Street, SYDNEY

The Bank of New South Wales is the oldest and largest bank in Australasia. With branches in all States of Australia, in New Zealand, the Pacific Islands, and London, it offers the most complete and efficient banking service to investors, traders and travellers interested in these countries.

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Agency arrangements with Banks throughout the U. S. A.

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Head Office Cairo
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FULLY PAID CAPITAL	£3,000,000
RESERVE FUND	£3,000,000

LONDON AGENCY
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NATIONAL BANK of INDIA, LIMITED

Bankers to the Government in Kenya Colony and Uganda

Head Office: 26, Bishopsgate, London, E. C.

Branches in India, Burma, Ceylon, Kenya Colony and Aden and Zanzibar

Subscribed Capital	£4,000,000
Paid-Up Capital	£2,000,000
Reserve Fund	£2,200,000

The Bank conducts every description of banking and exchange business

Trusteeships and Executorships also undertaken

Taylor President of Export-Import Bank

Leo T. Crowley, Foreign Economic Administrator and Chairman of the Board of the Export-Import Bank of Washington, announced on April 12 that the Board of Directors of the bank had elected Wayne C. Taylor President of the bank. Mr. Taylor, former Under Secretary of Commerce, will take over his new post immediately. He succeeds Warren Lee Pierson as the bank's President. Mr. Pierson recently resigned to return to private business.

Post-War Home Building

(Continued from page 1721)

The survey indicated that new building products to be put on the market in early post-war months will be principally those which were developed before the war and were about ready for the market when war restrictions were imposed. Most manufacturers who are not now in production plan to resume production of materials and equipment they offered before the war, with some improvements and modifications. An improvement being rapidly adopted by a number of them consists in dimensional coordination on a modular basis. New materials and equipment which will result from wartime research and discovery are today largely in the research and testing stage, to be announced and marketed at unspecified later dates.

What this really signifies is that evolutionary progress in the art of building, including building design, construction methods, improved materials and equipment, takes up about where it left off when the dimout on civilian construction was imposed in late 1941, and moves along continuously rather than with a sudden upsurge.

Prefabricated Houses

The post-war construction market has been very widely publicized as a bonanza in which many people are going to strike it very, very rich. Newcomers in the field, particularly those with money to risk on daring experiments, are likely to attempt radical innovations in materials, equipment and marketing methods. Some will burn their fingers, some may succeed. Those who succeed will have to do so in one of the most highly competitive markets in our entire economy.

The Beech Aircraft Corporation has announced a program of prefabricated house production for post-war. Other aircraft companies have been studying possibilities of prefabricated houses, prefabricated subassemblies and building equipment. The U. S. Steel Corporation is an example of an important established company which will experiment with prefabricated houses, having recently purchased an interest in the Gunnison Housing Corporation. These are interesting and important experiments, and it will be necessary to watch their progress in order to know just when they and experiments like them may become serious contenders in competitive marketing. An experiment in marketing procedure that is being watched with interest is the plan for selling prefabricated houses through department stores.

As a matter of fact, the principal problem of the future of the prefabricated house is marketing. Ready-cut houses have been produced for a generation. Standardization of building components and prefabrication of subassemblies have progressed year by year. Assembly-line techniques and mechanized operations form the regular procedures for construction projects large enough to justify their overhead cost. An Empire State Building, a Rockefeller Center, or a large housing project is a mass production operation on its own. The great virtue of the construction industry consists in its versatility in meeting the widest variety of demands; upon its capacity to turn its organizing talents overnight from a housing project to an army cantonment or a mammoth war plant, from a Boulder Dam to shipbuilding. Progress in these techniques was well illustrated in Henry J. Kaiser's explanation of his success in shipbuilding, one of his reasons being that he had been using in construction cranes of 250-ton capacity, as compared with the 5-ton cranes available in World War I. This country's 1943 and 1944 war production miracles could not have been accomplished if they had not been preceded by the war construction miracle of 1942, when the biggest program in all history was carried out in record time, with hundreds of vital jobs completed ahead of schedule.

Economies in house building are regularly achieved by assembly-line methods whenever a particular project is big enough. For the war housing program prefabricators had merely to accept orders from one big buyer. The question for the future is: where are enough big buyers to be found to sustain a large special industry within the construction industry? It is conceivable that you home builders, or large-scale land-development companies, may eventually become the big buyers of prefabricated house components, if this trend develops as some people expect it to.

Prefabricated houses will likely be produced in large numbers in Europe during the reconstruction period; some are being ordered now in this country by foreign governments. Here, again, mass housing jobs by governments will make a market.

There is not only a question as to how concentrated the future house market will be as to communities, neighborhoods and house sites, but also as to the degree of standardization in house design that will be acceptable in terms of the varying requirements of climate, sites, orientation, family needs and personal tastes and preferences. Families and persons who can afford anything more than a bare minimum want a range of choice in the food they eat, the clothes they wear, the houses they live in and the house-furnishings they live with.

The point of this is, I believe, that we shall continue to build houses, apartment buildings, factories, hospitals, stores, schools and other types of building and engineering structures in a great variety of designs to meet widely varying conditions, needs and preferences. We shall continue, I believe, to see small operations outnumber many times the large operations, however much the large operations increase. There will probably be a somewhat larger proportion of standardized buildings in the total than heretofore. Standardization of buildings and, much more importantly, standardization and prefabrication of building components, will progress in so far as they serve the human needs expressed in building demands—not, I believe, to the extent of regimenting the way people live.

While popular preference apparently continues to favor the Cape Cod cottage and similar traditional types of house design, it seems entirely possible that modern house design may progress much faster after the war than before. Influencing such a trend would be the opportunities for better light and air afforded by large well-placed windows, modern interior lighting to replace electrified imitations of candles and kerosene lamps, and new furniture of original design aiming at comfort and convenience rather than imitative copying of the trappings of past generations.

Small House Designs

While I am hopeful of distinct advances in the art of small-house design, I do not think we need to take too seriously the notion that new types of houses will make old ones obsolete on a wholesale scale. Good houses properly maintained do not become obsolete very fast.

A good house is not necessarily a house that is built of materials that have only recently come into the market; it is not necessarily a house that follows some currently fashionable style. There are many good houses standing today that are more than 100 years old. They were well-planned and soundly built at the start.

It seems to me that the most important criteria of a good house are first-class space relationships in the interior layout, with space provided for all the necessary functions of living, and a good relationship to what is outside the house in terms of light and air, with windows giving attractive views, the whole fitting the neighborhood environment. Equipment gets out of date faster than the structure does, making it desirable to provide for easy replacement, with adequate wiring and electric outlets for new household devices as they come on the market. Shelter, comfort, convenience and attractiveness are the things people want most; these things depend more upon the skill and ingenuity of designers and builders than they do upon any single ideal bill of materials that has yet been discovered.

It has been quite the fashion in recent years for housing reformers and like gentry to broadcast the idea that our building industry, and particularly the house-building section, has been woefully backward. The fact is that great progress has been made in house design and in low-cost production during the prewar residential building revival and in the war housing program. The post-war period will be a challenge to the home builders of the country. This progress must continue. There will be many new materials, new ideas, new construction procedures, new people and new types of business organization in this highly competitive field. The challenge is also a great opportunity.

David Wittman Is With B. G. Cantor & Company

David Wittman, formerly with White, Weld & Co. and Goldman, Sachs & Co., has become associated with B. G. Cantor & Co., 31 Broadway, New York City in their trading department.

This advertisement is neither an offer to sell nor a solicitation of offers to buy any of these securities. The offering is made only by the Prospectus.

100,000 Shares
Capital Stock
(Par Value $5.00 per Share)

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of Reading, Pennsylvania

Holders of the Company's Capital Stock of record March 17, 1945 were given the right to subscribe to one new share, at $12 per share, for each three shares owned. Of the 100,000 shares thus offered, 33,388 shares were sold upon the exercise of Share Allotment Warrants which expired April 16, 1945 and the remaining 66,612 shares have been sold by the underwriters.

Price 12¼ Per Share

Copies of the Prospectus may be obtained from any of the undersigned.

Huff, Geyer & Hecht
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"Selling" Bretton Woods to the Country

(Continued from page 1738)

Life Underwriters, address scheduled for April 20.

* * *

Speaker—Ansel Luxford, Treasury Department*.

Group addressed — New York Board of Trade, October, 1944.

* * *

Speaker—E. M. Bernstein, Treasury Department*.

Group addressed — National Foreign Trade Convention, New York, October, 1943; Export Managers Club, N. Y., August, 1944; New York Board of Trade, October, 1944; Special Libraries Association, N. Y. Chapter, November, 1944; Group of businessmen and bankers, Minneapolis, December, 1944; Minnesota Statistical Association, Minneapolis, December, 1944; Graduate School of Public Administration, Harvard University, December, 1944; Finance Club of New York University, March, 1945; representatives of various church groups (en route to the San Francisco Conference), April 9, 1945.

* * *

Speaker—Norman T. Ness, Treasury Department*.

Group addressed — United Nations Association, Portland, Ore., November, 1944; Americans United for World Organization, New Orleans, La., January, 1945; New Orleans Clearing House Association, New Orleans, La., January, 1945; Foreign Trade Assn., Houston, Tex., January, 1945; Center for International Understanding, San Francisco, Calif., March, 1945; Northwest Commission to Study the Organization of Peace, Seattle, Wash., March, 1945; Chamber of Commerce Forum, Portland, Ore., March, 1945, and Central Library, Portland, Ore., March, 1945.

* * *

Speaker — Raymond F. Mikesell, Treasury Department*.

Group addressed — Americans United for World Organization, New Orleans, La., January, 1945; Citizens for Victory Luncheon, Denver, Colo., January, 1945; New Orleans Clearing House Association, New Orleans, La., January, 1945; Foreign Trade Association, Houston, Tex., January, 1945; Meeting sponsored by adult education department of the public schools, Des Moines, Iowa, February, 1945.

* * *

Speaker — Janet R. Sundelson, Treasury Department.

Group addressed — Women's American ORT, Washington, D. C., March, 1945.

* * *

Speaker—R. L. Horne, Treasury Department.

Group addressed — United Nations Association, Nashville, Tenn., March, 1945.

* * *

Speaker—Undersecretary of Commerce Wayne C. Taylor.

Group addressed—New Orleans Association of Commerce, November, 1944.

* * *

Speaker—Assistant Secretary of State William L. Clayton.

Group addressed — Nationwide broadcast over the Blue Network, March, 1945; Nationwide broadcast over Columbia Broadcasting System, March, 1945; Institute of World Economics, March, 1945.

* * *

Speaker—Assistant Secretary of State Dean Acheson, a member of the U. S. Delegation at Bretton Woods.

Group addressed — Conference of Private Organizations on the Bretton Woods Proposals, Washington, D. C., February, 1945; National radio broadcast (one of State Department's weekly series), March, 1945[2]; Commonwealth Club of San Francisco, March, 1945; Center for International Understanding, San Francisco, Calif., March, 1945; 152nd dinner of Economic Club of New York, April 16, 1945; meeting of mayors and civic leaders, sponsored by Americans United for World Organization and American Association for United Nations, April, 1945.

* * *

Speaker—Charles P. Taft, State Department.

Group addressed—Commonwealth Club of San Francisco, November, 1944; NBC broadcast, one of a State Department series, March, 1945.

* * *

Speaker—M. S. Szymczak, member, Federal Reserve Board.*

Group addressed—Illinois Manufacturers Association, March, 1945; American Statistical and American Marketing Associations, Chicago, March, 1945.

* * *

Speaker — Walter R. Gardner, Federal Reserve Board.*

Group addressed—Business and Professional Women's Club, Chicago, April, 1945; Friends Society, Philadelphia, April, 1945; Town Hall meeting, Toledo, O., April, 1945.

* * *

Speaker — Alice C. Bourneuf, Federal Reserve Board.*

Group addressed — Union for Democratic Action, April, 1945.

* * *

Speaker — E. A. Goldenweiser, Federal Reserve Board.

Group addressed — American University, October, 1944; District of Columbia Bankers Association, October, 1944.

* * *

Speaker — Malcolm Bryan, Federal Reserve Bank of Atlanta.*

Group addressed — Nashville Rotary Club, Nashville, Tenn., August, 1944.

* * *

Speaker—Arthur R. Upgren, Federal Reserve Bank of Minneapolis.*

Group addressed — Businessmen's dinner sponsored by Helena branch of Federal Reserve Bank of Minneapolis, August, 1944; Minneapolis Foreign Policy Assn., September, 1944; Minnesota United Nations Committee, Minneapolis, February, 1945; Adresses before business groups at Miles City, Billings and Bozeman, Mont., March, 1945.

* * *

Speaker—Edward E. Brown, First National Bank, Chicago, a member of the U. S. Delegation at Bretton Woods.*

Group addressed—Chicago Association of Commerce, January, 1945.

* * *

Speaker—Dr. Mabel Newcomer, a member of the U. S. Delegation at Bretton Woods.

Group addressed—Representatives of 50 women's organizations at Washington, D. C., September, 1944; Association of Bank Women, Chicago, September, 1944; Legislative Conference for Citizens Action, New York, January, 1945.

* * *

Speaker—Joseph J. O'Connell, Jr., General Counsel Treasury Department.

Group addressed—National Lawyers' Guild, San Francisco, Calif.

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[2] The broadcast was participated in by Assistant Secretaries Clayton and MacLeish.

*Member of staff of U. S. Delegation at Bretton Woods Conference.

ARTICLES BY OFFICIALS PROMOTING BRETTON WOODS PROGRAM

Author—Secretary of the Treasury Morgenthau.

Publication — Foreign Affairs, January, 1945.

* * *

Author — Assistant Secretary of the Treasury White.

Publication — American Economic Review, March, 1943; Foreign Affairs, January, 1945;Some American Problems in 1945 and Suggested Solutions, The Peoples's Lobby, March, 1945; Statement to Council on African Affairs, N. Y., March, 1945.

* * *

Author—E. M. Bernstein, Treasury Department.*

Publication—American Economic Review, December, 1944; Journal of Political Economy, March, 1945.

* * *

Author—E. A. Goldenweiser, Federal Reserve Board.*

Publication — Federal Reserve Bulletin, September, 1944.[3]

* * *

Author—A. E. Bourneouf, Federal Reserve Board.*

Publication — American Economic Review, December, 1944.

* * *

Author—Alvin H. Hansen, Federal Reserve Board.

Publication — International Financial Stabilization, N. Y., 1944 (a chapter); New Republic, February 26, 1945; America's Role in the World Economy, N. Y., 1945.

* * *

Author—Arthur Smithies, Budget Bureau.*

Publication — American Economic Review, December, 1944.

* * *

Author—Undersecretary of Commerce Wayne C. Taylor.

Publication — Foreign Commerce Weekly, April 7, 1945.

* * *

Author — August Maffry, Commerce Department.*

Publication — Foreign Commerce Weekly, Oct. 7, 1944; Journal of Commerce, New York. Oct. 11, 1944; Survey of Current Business, November, 1944.

* * *

Author—W. A. Brown, Jr., State Department.*

Publication — American Economic Review, March, 1945.

* * *

Author—John Parke Young, State Department.*

Publication — Conference at Bretton Woods Prepares Plans for International Finance, State Dept. publication 2216.

* * *

Author—Eleanor Lansing Dulles, State Department.*

Publication—Foreign Policy Association report, Sept. 1, 1944.

* * *

Author—Edward E. Brown, First National Bank, Chicago, a member of the U. S. delegation at Bretton Woods.

Publication — Journal of Business of University of Chicago, October, 1944.

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[3] With A. E. Bourneuf.

*Member of staff of U. S. Delegation at Bretton Woods Conference.

J.W. Davis & Co. To Admit Reed and Villa As Partners

J. W. Davis & Co., members of the New York Stock Exchange, 111 Broadway, New York City, will admit Thomas W. Reed and Antonio L. Villa to partnership in the firm as of May 1st. Mr. Reed has been associated with the firm as Cashier.

The Road to Bretton Woods

(Continued from page 1715)

made public. It was a combination of the original Keynes plan and the revised White plan. This was the experts' plan that was submitted to the Bretton Woods Conference of last July. The earlier Bank plan as revised by the experts was submitted directly to the Conference. Prior to its submission it was not available to the public.

The delegates of the 44 nations attending the Bretton Woods Conference consisted mostly of Government officials, officers of central banks and other banks, and a number of scientific monetary economists, the most outstanding of whom was Lord John Maynard Keynes, whose ideas, to a large extent, dominated the Conference. Our own official delegation of 12 experts consisted of six Government officials, four members of the United States Congress, one commercial banker, and one college professor of economics whose special field of interest was public finance and taxation.

Back of the scenes at Bretton Woods there was a group of "technical experts" and secretaries from the different countries represented. Among these assistants there were a number of monetary experts of first rank. Who they were, to what extent they agreed among themselves, and to what extent their ideas were adopted by the "official experts" are not known to the public.

What Did the Bretton Woods Conference Do?

President Roosevelt, in his instructions to the American delegates, under date of June 9, relayed through Secretary Morgenthau, Chairman of our delegation, said:

> "In formulating a definite proposal for an international monetary Fund both you and the other delegates will be expected to adhere to the joint statement of principles of an International Monetary Fund announced April 21, 1944. You, as head of the delegation, are authorized, however, after consultation with the other delegates, to agree to modifications which, in your opinion, are essential to the effectuation of an agreement and provided that such modifications do not fundamentally alter the principles set forth in the joint statement.
>
> "You will apply the same principles in your discussions and negotiations with respect to the proposed Bank for Reconstruction and Development, except that you will be governed by the principles agreed upon by the American technical committee."

These instructions gave rise to a widespread public criticism in this country that our supposedly policy-making experts at the Conference were little more than Presidential rubber stamps.

Most of the important policy-determining sessions of the Conference were arenas for heated debate, the chief bones of contention being not so much questions of economic principles and policies as questions relating to the international distribution of financial contributions and of credits—questions of who was to get what and how much would he have to pay for it. Concerning these Conference discussions *The London Economist* (July 29, 1944, p. 138) said:

> "It is true that the Conference presented the unedifying spectacle of a technical gathering being jockeyed by purely political considerations, and the determination of the quotas resembled the process of political chaffering more than an objective attempt to achieve equity. Some of the results are ludicrous. . . . The management of the Fund and the Bank will have to rise above this sort of petty huckstering."

A question many people are now asking is if the Fund and the Bank were adopted would the management rise above such selfish international bickering, or does the experience at the Conference merely foreshadow what would happen in the actual operation of the Fund and the Bank should they become realities.

On a number of occasions it looked as if the Conference would suspend from lack of agreement. The difficulties, however, were finally glossed over by special reservations made by many of the countries and, above all, by the form of the Conference's final recommendation to the respective governments, which was *merely a recommendation to study and consider the merits of the plans and without advice either to adopt them or to reject them.*

On this subject we may appropriately quote President Roosevelt and Lord Keynes. The President said:

> ". . . the agreement by the Conference upon definite proposals will not be binding either morally or legally on the governments represented but will be referred to the respective governments for adoption or rejection." (New York "World Telegram," June 23, 1944.) [1]

Lord Keynes said:

> "So far as the United Kingdom delegation is concerned, we in common with all other delegations, reserve the opinion of our government on the document as a whole and on every part of it. The whole of our proceedings is *ad referendum* to our governments who are at the present stage in no way committed to anything. We have been gathered here to put our heads together to produce the most generally acceptable document we could frame. We do not even recommend our governments to adopt the result. We merely submit it for what it is worth to the attention of the governments and legislators concerned. . . ."

The various countries represented at Bretton Woods had widely different motives in their attitudes toward proposals under discussion at the Conference. Great Britain, for example, was particularly interested in building up her export trade after the war and meeting the very serious difficulties of her new position as a heavily debtor nation. Our principal interest was in international monetary stabilization and the creation of free exchange markets. Russia was primarily concerned with rehabilitation capital loans, and Latin America with developmental capital loans. A large proportion of the member States were aggressively concerned with what they could borrow in one form or another from the United States, while we ourselves took little interest in our capacity to borrow. As a result of these differences even the agreement *ad referendum* became an embodiment of numerous compromises of glossed-over differences on matters for which clear-cut compromises could not be reached, of weasel-worded phrases, and of numerous escape clauses. The Plan, therefore, is a very complicated document, and no one can read the literature on the subject that has appeared in the different member nations since the Conference, without realizing that there are wide differences of opinion among intelligent people—official and unofficial—as to the meaning of many of its important provisions.

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[1] International Financial Problems, *The Bretton Woods Proposals*, 4. February, 1945, p. 6, Chamber of Commerce of the United States, Washington, D. C.

Governmental Propaganda for the Bretton Woods Plan

The Plan is now before Congress, and action upon it is expected at an early date.

Ever since the termination of the Conference the Administration has been urging the prompt adoption of the Plan by Congress, without any change whatsoever, and has been making its appeal to the public by high-pressure propaganda. We have been told that the Plan was adopted by the leading monetary experts of 44 nations after long study; that it is an integral part of the scheme for international cooperation which has been developing through the conferences at Moscow, Teheran, Yalta, and now San Francisco, and that if the Plan as issued from Bretton Woods is rejected, or even modified, the whole temple of international peace and comity will be jeopardized.

Concerning the Plan, Secretary Morgenthau said that the legislation implementing these agreements "is perhaps the most important measure for post-war international cooperation yet to come before Congress . . . the Bretton Woods agreements are a part of the overall program to achieve both political and economic security." (Treasury release, March 7, 1945.) "Unless they are put into effect the strides toward peace and security at Dumbarton Oaks, at Mexico City and at Yalta, as well as the further step that will be taken at San Francisco may end only in frustration. . . ." (Treasury release, March 12, 1945.) "The fact that 44 delegations approved the Monetary Fund was the substantial evidence of their desire for stabilization." (Treasury release, March 7, 1945.)

On this subject of the Administration's propaganda for the Bretton Woods Plan, a well-known economist, Herbert Bratter, broadcasting from Washington (March 17) said:

> "Never have we had an issue quite like this one; never such an unprecedented Government publicity campaign. . . .
>
> "Indeed, we are told lasting peace is not possible at all without this Fund and this Bank. . . . Secretary Morgenthau has frankly undertaken to 'sell' the program to the nation. And by 'selling' he doesn't mean any half-way publicity measures. He has employed a publicity man, solely to promote Bretton Woods.
>
> "For months there have been articles by advocates of the Fund and Bank in all sorts of public and private publications. Thousands of reprints of those articles have been distributed.
>
> "Columnists and radio commentators have taken lunch with the Treasury's Secretary, with Bretton Woods served for dessert. The movies have not been overlooked. Government speakers have been dispatched to all parts of the country to address any group willing to listen. On one recent occasion the mountain was brought to Mohammed, when 106 pressure groups were invited to send representatives to an all-day lecture course in Washington."

In the hands of the propagandists and therefore, I fear, in the minds of a large public, the Bretton Woods Plan is becoming sacrosanct. It is said to be internationalism *par excellence*, and its opponents are therefore alleged to be either hopelessly ignorant in their defiance of the world's expert opinion or selfish nationalists.

The Gist of the Stabilization Proposal

We now come to the provisions of the Plan for the determination of national monetary parities, which are by far the most important part. of the Plan, since they involve the values for an indefinite future of the monetary units of most of the countries of the world. For the United States it is the future value of the dollar in terms of which will be payable *at par* all our bonds, Government and corporate, all mortgages, all life insurance and all bank deposits. It is, moreover, the dollar in which all wages are paid.

The Monetary plan provides for a collection of national managed paper money standards. While each country would have its own monetary unit, as at present, *e.g.*, the United States the dollar, England the pound, France the franc, and so forth; these units would be tied together by mutual agreement, and would be subject to controls administered by an international board of governors appointed by the governments of the respective member countries.

At the proper time, which for some members may be soon after the war is over and for others long delayed, the Fund is to request each member to communicate to it the par value it desires for its currency, namely, the value in terms of gold, based on the rate of exchange prevailing at a designated date. This value is to become the real par value for the time being, unless within a specified time the member desires a change or unless the Fund itself insists on one.

The gold par values of member currencies, when once adopted, are not expected to be permanent. In fact, in sharp contrast to the gold standard, frequent changes of par value seem to be contemplated as an important instrument of monetary policy. Such changes are divided into two classes: (1) changes in the par value of the monetary unit of individual members, and (2) uniform changes by all members. Let us consider these separately.

A member is permitted to change the gold par of its currency only "after consultation with the Fund" and in order "to correct a fundamental disequilibrium." The plan provides, however, that "if the proposed change, together wtih all previous changes, whether increases or decreases, does not exceed 10% of the initial par value of the Fund shall raise no objection." But this is only the beginning. It is provided that if the change goes beyond 10% but not beyond 20%, the Fund may either concur or object but must declare its attitude within 72 hours, and if it goes beyond 20% the Fund may either concur or object but is allowed more time to make its decision.

The great liberality of these provisions is insured by the requirement that the Fund must agree to a proposed change without any stated limits provided that it is "satisfied that the change is necessary to correct a fundamental disequilibrium" — whatever that may mean—and further that the Fund cannot object to a proposed change on the grounds that it disapproves of "the domestic social or political policies" for the carrying out of which the member is proposing the change.

Plan Would Lead to International Debasement Wars

These provisions would seem to open the door wide to any member State whenever it should so desire to debase its monetary unit, *i.e.*, to reduce its gold par. The variations readily permitted are large. The condition, "necessary to correct a fundamental disequilibrium," can mean all things to all men. Can anyone conceive of a situation in which a nation desiring to change the par value of its monetary unit would not be doing so, or at lease claiming to be doing so, "to correct a fundamental disequilibrium," and also to be doing so or claiming to be doing so largely by reason of its "domestic social or political policies?" It is precisely by reason of expensive domestic social and political policies that nations usually spend beyond their means, incur heavy budget deficits, borrow excessively, inflate their currencies, and then finally recognize the inflation as a *fait accompli* by formally debasing their monetary unit. This is the way debasement has usually happened throughout the ages. Would not the term "domestic social or political policies" include such things as social insurance, minimum wages, governmentally guaranteed employment, many public works, socialized medicine, public education and scores of other social reform measures, also a great variety of political measures such as building up war munitions, accumulating stock piles, protective tariffs, and government subsidies galore?

Since for a number of years, at least, most of the member nations will be borrowing members—buying members, if you prefer—and since the United States will be the only important lending member—selling member, if you prefer—the pressure on the Fund is likely to be strong for resolving doubts on such questions in favor of debtor nations.

Here is a situation that would make currency debasement wars among nations easy to start and difficult to stop. One nation, for example, seeks a competitive advantage in its export trade by debasing its currency and, at once, competing nations strike back and debase their currencies.[2] A monetary debasement war is on, and every step is alleged to be taken "to correct a fundamental disequilibrium" and in furtherance of "domestic social or political policies." What is to stop it? The debtor nations are in a large majority. If they do not meet their obligations to the Fund, who is to kick them out and, if they are kicked out, how can they be forced to pay to the Fund their accumulated debts in full gold values?

In addition to the provisions of the Plan authorizing changes in the gold par values of the monetary units of individual members, there is a provision to enable all members acting together to make uniform changes at one and the same time. Specifically, the provision is that the Fund may make uniform proportionate changes in the par values of the currencies of all the members provided that the par value of any member's currency shall not be changed if the member objects within 72 hours of the Fund's action. This action requires only a majority of the total voting power if there is an affirmative vote of every member which has 10% or more of the total capital. Only three members have that much, namely, the United States, the United Kingdom and Russia, and together they have more than a majority of the total votes. Since nearly all members will be debtor nations, this provision for uniform changes in gold pars, realistically speaking, is one to make, by political action, world-wide debasement and resulting inflation dangerously easy.

In international debasement wars, if one nation holds back and does not fight for itself, it is likely to be submerged. How long could the United States retain the gold statutory value of its dollar in the face of such debasement competition?

Bretton Woods and Monetary Nationalism

Realistically speaking, therefore, and for the reasons just given, the trend of the Bretton Woods Monetary plan would be away from currency stability, free exchange and internationalism, and toward currency debasement, exchange controls, paper-money standards and monetary nationalism. In other words, it would be in the direction exactly opposite to the primary purpose of the Fund as contemplated by its leading American proponents.

A good picture of the evils of such economic warfare was given by Assistant Secretary of State, Dean Acheson, in his San Francisco address of March 23, in support of the Bretton Woods plan. There he spoke of an international competition in which all nations would use "every device for increasing their exports and getting what imports they can from other people. The devices by which they will do that are . . . manipulation of currencies (of a character that) would have a devastating effect upon recovery from the war." In such a situation he said we would "face the disintegration of the whole world system into a state of economic warfare, with each nation trying to climb to some sort of security over the back of its neighbor, each one believing that if it manipulates its currency in some way or other, it can export the misery which exists in its own country to some other country and attain some temporary advantage. Each nation will believe that the advantage will be permanent. But it will not be permanent, because neighboring countries will undertake exactly the same steps. So we shall have progressive hostility between countries and progressively hostile action against countries."[3]

Ladies and gentlemen, it is largely because I believe that this sorry picture is a true picture of what, realistically speaking, the adoption of the Bretton Woods

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[2] The United States Treasury Department in a recent explanation and defense of the Bretton Woods Plan says: "As exchange controls and competitive currency depreciation spread from country to country, not only do they distort and depress trade, they breed vicious economic warfare that may end in an outbreak of actual hostilities." *U. S. Treasury, The Bretton Woods Proposals Questions and Answers on the Fund and the Bank*, March 15, 1945, p. 6.

[3] Department of State *Bulletin*, March 25, 1945, p. 470.

(Continued on page 1743)

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1730)

wishful thinking will lead to anything. President Truman may have the best intentions in the world. But anybody who thinks that he can make the clock go backwards is hiding his head in the sand. The laws that have been passed in the last 12 years won't be nullified in the next 12 weeks; or even months. They may never be. The economic and social changes made in the last decade may be amended but that is as far as they'll go. And even amendments won't come easy. No, I think most of the New Deal changes are here to stay, for better or for worse. But the way the market acts you'd think Dewey was in the White House.

* * *

I realize this kind of reasoning won't sit well with some of my readers. But I'm trying to interpret things as they are, not as I would like them to be. And the market has no place for anything but cold analysis.

* * *

Siphoning all this down to stocks from here on the conclusion is that the sudden rush for stocks will postpone a reaction. But when it comes it will be a lot more drastic than is now envisioned. This means that the stops you have should now be lifted. If the market doesn't go off much you'll be safe. If it does, and it breaks certain levels there is no point in having your profits washed away. So I now advise the following:

You hold Hudson Motors at 18, stop 16. Current price about 24. Raise stop to 21.

Jones & Laughlin was bought at 29, stop 27. Current price about 32. Raise stop to 29.

Phelps Dodge was bought at 27, stop 25. Current price about 29. Raise stop to 27½.

U. S. Rubber was bought at 56, stop 53. Current price about 60. Raise stop to 57.

U. S. Steel was bought at 59, stop at 59. Current price about 67. Raise stop to 63.

* * *

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Hopkins Harbach Opens Latin American Dept.

LOS ANGELES, CALIF.—Hopkins, Harbach & Co., 609 South Grand Avenue, members of the Los Angeles Stock Exchange, have opened a Latin American Department to trade in obligations of Mexico, Central American and South American countries. John White and Ramsdell Lasher are in charge of the new department.

Mr. White has been with the firm for some time in charge of the sales department. Mr. Lasher, a specialist in Mexican issues for many years in the United States and Mexico, joined Hopkins, Harbach & Co. in 1944.

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Calendar Of New Security Flotations

NEW FILINGS

List of issues whose registration statements were filed less than twenty days ago, grouped according to dates on which registration statements will in normal course become effective, unless accelerated at the discretion of the SEC.

THURSDAY, APRIL 19

LAKE SUPERIOR DISTRICT POWER CO. on March 31 filed a registration statement for 133,500 shares of common stock, par $20. The stock is issued and outstanding and is owned by North West Utilities Co. which will offer the stock for sale at competitive bidding.

Details—See issue of April 5.

Offering—Price to the public will be filed by amendment.

Underwriters—Names will be filed by amendment.

GENERAL WATERWORKS CORP. on March 31 filed a registration statement for 10,000 shares of 5% preferred stock, cumulative (par $100).

Details—See issue of April 5.

Offering—Price to the public is $100 per share.

Underwriters — Butcher & Sherrerd, Phila., Robert Hawkins & Co., Boston, and Southern Securities Corp., Little Rock, Ark.

MILLER-WOHL CO., INC., on March 31 filed a registration statement for 30,000 shares 5% cumulative convertible preferred stock (par $50) and 50,000 shares of common (par $1). Of the stock registered 15,000 shares of preferred and 50,000 shares of common are issued and outstanding and are being sold by four stockholders.

Details—See issue of April 5.

Offering—The price to the public will be filed by amendment.

Underwriters—The principal underwriter is Allen & Co.

AIRCRAFT RADIO CORP. on March 31 filed a registration statement for 100,000 shares of common stock, par $1. All of the shares are issued and outstanding and are being sold for the account of certain stockholders.

Details—See issue of April 5.

Offering—Price to the public will be filed by amendment.

Underwriters—F. Eberstadt & Co. is principal underwriter.

H. K. PORTER CO., INC., on March 31 filed a registration statement for 50,000 shares of cumulative preferred stock, 5% series, $50 par, with non-detachable common stock purchase warrants attached, and 45,000 shares of common ($5 par). The 45,000 shares of common are issued and outstanding and are being sold by T. M. Evans, President.

Details—See issue of April 5.

Offering—Offering price to the public will be filed by amendment.

Underwriters—Blair & Co., Inc., is named principal underwriter, with names of others to be filed by amendment.

MONDAY, APRIL 23

RALSTON PURINA CO. on April 4 filed a registration statement for 100,000 shares of preferred stock, series A (par $100). Dividend rate will be filed by amendment.

Details—See issue of April 12.

Offering—Price to the public will be filed by amendment.

Underwriting—Kidder, Peabody & Co. and Goldman, Sachs & Co. are named principal underwriters.

TUESDAY, APRIL 24

ASHLAND OIL & REFINING CO. on April 5 filed a registration statement for 40,000 shares of 4¼% cumulative convertible preferred stock (par $100).

Details—See issue of April 12.

Offering—Company offers holders of its common stock rights to subscribe for the new preferred at price to be filed by amendment at the rate of one share of preferred for each 24.1 shares of common held. The company also offers, subject to the subscription rights granted to the holders of the common, to holders of presently outstanding 5% cumulative preferred the opportunity to exchange their shares for the new preferred on a share for share basis plus a cash payment. Unsubscribed and unexchanged shares will be sold to underwriters to be offered to the public.

Underwriting—A. G. Becker & Co., Inc., Chicago, is named principal underwriter.

WEDNESDAY, APRIL 25

CONSOLIDATED RETAIL STORES, INC. on April 6 filed a registration statement for 30,000 shares of $2.75 cumulative preferred stock (no par).

Details—See issue of April 12.

Offering—The company is giving to the holders of its outstanding 8% cumulative preferred stock, par $100, the right to exchange such stock for $2.75 cumulative preferred on the basis of 2.30 shares of $2.75 cumulative preferred, plus certain cash payment by the company, for each share of 8% preferred. Unsubscribed shares will be purchased by underwriters and offered to the public at $50 per share.

Underwriting—Central Republic Co., Inc.; Peltason, Tenenbaum Co.; Scherck, Richter & Co.; Stix & Co.; G. H. Walker & Co.; I. M. Simon & Co., and Stein Bros. & Boyce.

TIDE WATER ASSOCIATED OIL CO. on April 6 filed a registration statement for 00,000 shares of cumulative preferred stock. The dividend rate will be filed by amendment.

Details—See issue of April 12.

Offering—The company offers to the holders of its 500,000 shares of $4.50 cumulative convertible preferred stock the right to exchange such shares for the new preferred stock on a share for share basis, subject to allocation on a pro rata basis if necessary. Such shares as are not exchanged will be sold to underwriters for offering to the public.

Underwriting—Kuhn, Loeb & Co., and Lehman Brothers are principal underwriters with names of others to be filed by amendment.

KOBACKER STORES, INC. on April 6 filed a registration statement for 55,781 cumulative preferred shares and 175,000 common shares. Of the stock registered 175,000 common and 15,781 shares of the preferred are issued and outstanding and are being sold for the account of certain stockholders. Statement also covers 80,000 common shares issuable upon exercise of warrants.

Details—See issue of April 12.

Offering—The offering price to the public is $25 per share for the preferred and $9 per share for the common.

Underwriting—Van Alstyne, Noel & Co. is named principal underwriter, with names of others to be filed by amendment.

THURSDAY, APRIL 26

NEW YORK POWER & LIGHT CORP on April 7 filed a registration statement for 240,000 shares of cumulative preferred stock (par $100). The stock will be offered for sale at competitive bidding, with the successful bidder naming the dividend rate.

Details—See issue of April 12.

Offering—The price to the public will be filed by amendment.

Underwriting—The names of the underwriters will be filed by amendment.

SATURDAY, APRIL 28

ARMSTRONG RUBBER CO. has filed a registration statement for 50,000 shares of 4¾% cumulative convertible stock ($50 par) and 50,000 shares of class A common stock (no par).

Address—475 Elm Street, West Haven, Conn.

Business — Manufacture and sale of pneumatic tires and tubes.

Offering—The price to the public will be filed by amendment.

Proceeds—Net proceeds will be applied to the repayment of the $3,000,000 loan to the New York Trust Co. and the balance will be used for general working funds.

Underwriters—F. Eberstadt & Co., is named principal underwriter.

Registration Statement No. 2-5688. Form S-1. (4-9-45).

SUNDAY, APRIL 29

GRAHAM-PAIGE MOTORS CORP. has filed a registration statement for 200,000 shares of 5% convertible preferred stock cumulative (par $25).

Address — 8505 West Warren Avenue, Dearborn, Mich.

Business—Peacetime business manufacture of automobiles, tractors and replacement parts.

Offering—Price to the public will be filed by amendment.

Proceeds—The net proceeds estimated at $4.550,000 will be available for general corporate purposes, the payment of the balance due on the note of the corporation to the Reconstruction Finance Corporation and the redemption or purchase of the presently outstanding 314 shares of 7% preferred stock.

Underwriters—Allen & Co., New York.

Registration Statement No. 2-5689. Form S-1. (4-10-45).

MONDAY, APRIL 30

GIBSON REFRIGERATOR CO. has filed a registration statement for 247,140 shares of common stock (par $1). The shares are issued and outstanding and are being offered on behalf of certain stockholders.

Address — 515 West Williams Street, Greenville, Mich.

Business—Peacetime business manufacture of electric refrigerators and electric ranges.

Offering—Price to the public is $11.75 per share.

Proceeds—The proceeds go to the selling stockholders.

Underwriters—Paul H. Davis & Co., and Shillinglaw, Bolger & Co., Inc. of Chicago, are named principal underwriters.

Registration Statement No. 2-5690. Form S-1. (4-11-45).

B. F. GOODRICH CO. has filed a registration statement for $35,000,000 first mortgage bonds series due 1965. The interest rate will be filed by amendment.

Address—500 South Main Street, Akron, Ohio.

Business—Manufacture of rubber products.

Offering—The price to the public will be filed by amendment.

Proceeds—Will be applied to the redemption of $21,049,000 first mortgage bonds, 4¼% series due 1956 at 103 and of $4,700,000 first mortgage bonds, 3% series due 1956 at 102¾, with the balance being added to general funds of the company.

Underwriters—Goldman, Sachs & Co. is named principal underwriter.

Registration Statement No. 2-5691. Form A-2. (4-11-45).

FAIRCHILD ENGINE AND AIRPLANE CORP. has filed a registration statement for 90,000 shares of $2.50 cumulative preferred stock (no par). The shares are convertible at the option of the holder prior to May 1, 1955 into common stock at a price to be filed by amendment.

Address—30 Rockefeller Plaza, New York City.

Business—Manufacture of aircraft, aircraft engines, etc.

Offering—The price to the public will be filed by amendment.

Proceeds—Proceeds will be used for any one of the following purposes: temporary reduction of bank borrowings amounting to $7,150,000 on March 31, 1945, under the corporation's V credit; research and development; re-entry into commercial markets; development of products and purchase of certain government owned plants and equipment now used by the corporation.

Underwriters—Smith, Barney & Co. head the underwriters, with the names of others to be filed by amendment.

Registration Statement No. 2-5692. Form S-1. (4-11-45).

TUESDAY, MAY 1

UNITED STATES PLYWOOD CORP. has filed a registration statement for 100,000 shares of common stock (par $1).

Address—55 West 44th Street, New York City.

Business—Manufacture of various types of plywood, etc.

Offering—Price to the public will be filed by amendment.

Proceeds — For additions and working capital.

Underwriters—Eastman, Dillon & Co., is principal underwriter, with names of others to be filed by amendment.

Registration Statement No. 2-5693. Form S-1. (4-12-45).

MOBILE GAS SERVICE CORP. has filed a registration statement for 100,000 shares of common stock (no par). The shares are issued and outstanding and owned by Consolidated Electric & Gas Co.

Address—162 St. Francis Street, Mobile, Ala.

Business—Public utility.

Offering—Offering price to the public will be filed by amendment.

Proceeds—The proceeds will go to Consolidated Electric & Gas Co.

Underwriters—The shares are to be offered for sale at competitive bidding by Consolidated. Names of the underwriters will be filed by amendment.

Registration Statement No. 2-5694. Form S-1. (4-12-45).

WEBSTER-CHICAGO CORP. has filed a registration statement for 106,400 shares of common stock (par $1). Of the total 45,000 shares are being sold by the company and 61,400 shares by certain stockholders.

Address—5622 Bloomingdale Road, Chicago.

Business—Metal stampings, etc.

Offering—The price to the public is $6.75 per share.

Proceeds—Company's share will be added to working capital. Balance goes to selling stockholders.

Underwriters—Principal underwriters are Brailsford & Co. and Shillinglaw, Bolger & Co., Inc., both of Chicago.

Registration Statement No. 2-5695. Form S-1. (4-12-45).

MORRISON-KNUDSEN CO., INC. has filed a registration statement for 4,000 shares series M 5% and 3,000 shares series N 6% cumulative preferred stocks both $100 par value; $100,000 series G 3% and $100,000 series Q 3% certificates.

Address—319 Broadway, Boise, Idaho.

Business — Contractor engaged in all types of general construction.

Offering—The preferred stock will be sold at par. The certificates also will be sold at par.

Proceeds—Will be used to retire outstanding certificates of indebtedness, to reduction of bank loans and for additional working capital.

Underwriters — Wegener & Daly, Inc., Idaho, is underwriter for the preferred stock. The certificates will be sold through officers and employees of the company.

Registration Statement No. 2-5696. Form S-1. (4-12-45).

WEDNESDAY, MAY 2

FINANCIAL INDUSTRIAL FUND, INC., has filed a registration statement for 500,000 fund shares.

Address—650 Seventeenth Street, Denver, Col.

Business—Diversified investment fund.

General Distributor—Investment Service Corporation, Denver and Wilmington.

Offering—At market.

Proceeds—For investment.

Registration Statement No. 2-5697. Form S-5. (4-13-45).

FINANCIAL INDUSTRIAL FUND, INC., has filed a registration statement for 2,000 systematic (periodic payment) investment certificates providing for total payments of $2,400,000.

Address—650 Seventeenth Street, Denver, Col.

Business—Diversified investment fund.

General Distributor—Investment Service Corporation, Denver and Wilmington.

Offering—At market.

Proceeds—For investment.

Registration Statement No. 2-5698. Form S-6. (4-13-45).

TENNESSEE GAS & TRANSMISSION CO. has filed a registration statement for $35,000,000 first mortgage pipe line bonds, 3% series due 1965 and 75,000 shares of 5% cumulative preferred stock, par $100.

Address—Commerce Building, Houston, Texas.

Business—Operation of a natural gas transmision pipe line.

Offering—Price to the public will be filed by amendment.

Proceeds—The proceeds from sale of the bonds and preferred stock, together with a bank loan of $15,000,000 will be applied to the payment of debt and to finance costs of constructing facilities to increase the gas carrying capacity of the pipe line.

Underwriters—Dillon, Read & Co., Inc., Glore, Forgan & Co. and White, Weld & Co. are named principal underwriters, with names of others to be filed by amendment.

Registration Statement No. 2-5699. Form S-1. (4-13-45).

BALTIMORE PORCELAIN STEEL CORP. has filed a registration statement for 100,000 shares of $5 cumulative convertible preferred stock (par $5) and 100,000 shares of common (par 10 cents).

Address—Mt. Winans, Baltimore, Md.

Business—Normal business is application of porcelain finishes on steel.

Offering—The price to the public is $5 per unit consisting of one share of preferred and one share of common stock.

Proceeds—Will be used for new equipment and for additional working capital to facilitate reconversion.

Underwriters—Kobbe, Gearhart & Co., Inc., and Newburger & Hano are principal underwriters.

Registration Statement No. 2-5700. Form S-1. (4-13-45).

THURSDAY, MAY 3

LINK-BELT CO. has filed a registration statement for 100,000 shares of common stock (no par).

Address—307 North Michigan Avenue, Chicago, Ill.

Business—Widely diversified line of materials handling and mechanical power transmission machinery and castings.

Offering—Waivers of preemptive rights with respect to a number of shares of common stock to be filed later of the 100,000 shares registered have been received from the holders of outstanding common stock. The company is offering to the holders of the balance of the common stock rights to subscribe to new common at a price to be filed by amendment at the rate of 13½ shares for each 100 shares held. The underwriters have purchased and are offering the common stock to which waivers have been received, and will also purchase any shares not subscribed for by stockholders.

Proceeds—Net proceeds will be used for the redemption of 30,187 shares of 6½% preferred stock outstanding and for additional working capital. The cost of redemption of the 6½% preferred, exclusive of accrued dividends, is $3,622,440.

Underwriters — Kidder, Peabody & Co., heads the list of underwriters, with names of others to be filed by amendment.

Registration Statement No. 2-5701. Form S-1. (4-14-45).

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AMERICAN ENGINEERING CO. on Feb 27 filed a registration statement for $3,000,000 5% 15-year sinking fund debentures and 200,000 shares of common stock Of the stock registered 132,000 shares are issued and outstanding and being sold by stockholders.

Details—See issue of March 8.

Offering—The debentures will be offered at 100 and the common stock at $8.50 per share

Underwriters—Van Alstyne, Noel & Co heads the underwriting group, with the names of others to be supplied by amendment.

A. P. W. PRODUCTS CO., INC. on Jan 27 filed a registration statement for $2,000,000 20-year 5% first mortgage sinking fund bonds and 40,000 shares of capital stock (par $5).

Details—See issue of Feb. 1, 1945.

Offering—Holders of outstanding $2,000,000 20-year 6% first mortgage sinking fund bonds due 1948 are given the privilege of tendering their bonds for redemption as of April 1, 1945 at 102½ and interest, or, in the alternative, to assent to an extension of the maturity date to April 1 1965 and the reduction of interest to 5% per annum and to receive in consideration for such extension $25, the amount equivalent to the 2½% redemption premium, and in addition 20 shares of the company's ($5 par) common stock. The extension offer will expire at noon Feb. 26, 1945 Bonds not tendered for extension will be redeemed at 102½ and accrued interest to April 1, 1945. After the expiration of the extension offer, an amount equal to the unextended 6% bonds are to be offered to the public by the underwriters at the initial offering price of $1,000 "per unit" consisting of $1,000 20-year 5% first mortgage sinking fund bond and 20 shares of common stock.

Underwriters — Allen & Co., Bond & Goodwin, Inc., E. W. Clucas & Co., R. H Johnson & Co., Schoellkopf, Hutton & Pomeroy, Inc., Buckley Brothers, George R. Cooley & Co., Inc., Brailsford & Co. and Ferris, Exnicios & Co., Inc.

ARKANSAS-MISSOURI POWER CORP on Dec. 4 filed a registration statement for $2,000,000 first mortgage bonds, series A, 3⅛%, due Dec. 1, 1974.

Details—See issue of Dec. 7, 1944.

Offering—The bonds will be offered for sale at competitive bidding.

ATLANTIC CO. on March 23 filed a registration statement for $10,600,000 5% sinking fund debentures, due April 1, 1980 and 275,000 shares of common stock (no par).

Details—See issue of March 29.

Offering—Under reorganization and recapitalization plan company is offering to the holders of outstanding 6% and 7½% cumulative preferred stocks the privilege of exchanging their shares on the basis of $100 par value of stock for $100 par value of 5% debentures and one share of common stock, and to holders of outstanding 6% Class A preference stock the privilege of exchanging their shares on the basis of $50 par value of stock for $50 par value of 5% debentures and two shares of common stock. The holders of the 6% preferred and 6% Class A stock offering their stock for exchange shall receive dividends on April 1, 1945, at the same rate of dividends paid on the stock on Jan. 1, 1945, but shall receive no dividends thereafter, the debentures bearing interest from such date. Any debentures not issued in exchange for stock shall then be offered to holders of presently outstanding first mortgage 5% sinking fund bonds on the basis of $100 par of debentures plus an amount to be determined by the company not exceeding $3 in cash for each $100 par value of bonds exchanged. The 5% sinking fund bonds are callable at 103. All of the outstanding 5% sinking fund bonds not exchanged for debentures and all of the first mortgage 3% serial bonds shall be called for redemption. The company contemplated that about June 1, 1945, it will issue not exceeding $3,400,000 3% notes and use the proceeds either for the purpose of calling all 3% serial bonds and the outstanding unexchanged 5% sinking fund bonds or to reimburse the company for funds previously used for that purpose. Any debentures not taken in exchange for stocks or bonds may be sold by the company at not less than par plus accrued interest.

Underwriter—Courts & Co., Atlanta, is names as underwriter.

AUTOMOBILE DEALERS INSURORS, INC. on Feb. 19 filed a registration statement for 4,985 shares of preferred stock and 7,470 shares of Class A common stock.

Details—See issue of Feb. 22.

Offering—Preferred and Class A common stock will be offered only to factory authorized automobile dealers and automobile finance men in blocks of one share of preferred and two shares of Class A common for $101 per unit.

Underwriters—None named.

BENDIX HELICOPTER, INC. on Feb. 2 filed a registration statement for 1,400,000 shares of capital stock, par value 50 cents.

Details—See issue of Feb. 8, 1945.

Offering—Of shares registered 1,000,000 are to be offered presently proportionately to holders of outstanding stock on basis of four additional shares for each five shares held at $1.60 per share; 200,000 shares are reserved to be issued when, as and if certain outstanding options are exercised, and 200,000 additional shares are reserved to be issued when, as and if certain stock option warrants to be issued by the corporation to the underwriters are exercised. Such shares of stock as are not subscribed for by the stockholders will be offered to the public by the underwriters at $2 per share.

Underwriters—Kobbe, Gearhart & Co., Inc., and Bond & Goodwin, Inc., are named principal underwriters.

BLUEFIELD SUPPLY CO on Feb. 16 filed a registration statement for 4,990 shares of common stock, par $100.

Details—See issue of Feb. 22.

Offering—The offering price $100 per share New common is being offered to present stockholders on a pro rata basis of their holdings as of March 15, 1945.

Underwriters—None named.

CALIFORNIA WATER & TELEPHONE CO. on March 27 filed a registration statement for 107,000 shares of $1.20 cumulative preferred (par $25) and 9,672 shares common ($25 par).

Details—See issue of April 5.

Offering—New preferred will be offered for exchange to holders of 100,000 shares of 6% cumulative ($25 par) preferred on share for share basis. Unexchanged shares and the 7,000 additional shares of preferred and 9,672 shares of common will be offered through underwriters at prices to be filed by amendment.

Underwriters — Blyth & Co., Inc., is named principal underwriter.

CAROLINA POWER & LIGHT CO. on March 16 filed a registration statement for 156,158 shares of $5 preferred stock (no par).

Details—See issue of March 22.

Offering — The 156,158 shares of $5 preferred stock are to be offered, share for share in exchange for not more than 90% of the 93,553 shares of $7 preferred and 79,955 shares of $6 preferred now outstanding. All presently outstanding $7 and $6 preferred will be retired either by exchange or by redemption at $110 per share plus dividends to date of redemption. Company proposes to make a cash adjustment which, together with dividends receivable on the $5 preferred stock, will give each stockholder who exercises the exchange privilege a dividend at rate of $7 per share per annum or $6 per share per annum, respectively, up to respectively up to the redemption date of these stocks.

Kirchofer & Arnold and R. S. Dickson & Co., Inc. are dealer managers.

CENTRAL ILLINOIS ELECTRIC & GAS CO. on March 20 filed a registration statement for $14,000,000 first mortgage bonds due Feb. 1, 1975, and 30,000 shares of preferred stock, Series A (par $100).

Details—See issue of March 29.

Awarded April 16 to First Boston Corp., Central Republic Co. (Inc.) and Harris, Hall & Co. (Inc.), the bonds (carrying a 3% coupon) at 102.549 and the preferred stock (dividend rate 4.10%) at 100.089.

CENTRAL OHIO LIGHT & POWER CO. on Dec. 28 filed a registration statement for 11,972 shares of preferred stock, cumulative ($100 par). The dividend rate will be filed by amendment.

Details—See issue of Jan. 4, 1945.

Offering—Company proposes to invite proposals for services to be rendered to it in obtaining acceptances of the exchange offer of new preferred stock for old preferred and for the purchase from it of such of the 11,972 shares as are not exchanged pursuant to the exchange offer.

DIANA STORES CORP. on Feb. 5 filed a registration statement for 40,000 common stock purchase warrants and 40,000 shares of common stock par value $1 per share, issuable pursuant to these warrants.

Details—See issue of Feb. 15, 1945.

Offering—40,000 shares of common stock are issued and out [illegible] offered for account of company. Company is offering 40,000 shares of common issuable upon the exercise of the stock purchase warrants and the payment of $7 per share.

Underwriters—Not named.

ELECTROMASTER, INC. on March 29 filed a registration statement for 107,923 shares of common stock, par $1. All of the stock is issued and outstanding and is owned by Nash-Kelvinator Corp. (being 55.17% of total outstanding stock).

Details—See issue of April 5.

Offering—Offering price to the public is $8 per share.

Underwriters—S. R. Livingstone & Co., and Mercier, McDowell & Dolphyn, both of Detroit.

EXPRESO AEREO INTER-AMERICANO, S. A., on March 30 filed a registration statement for 300,000 shares of common stock.

Details—See issue of April 5.

Offering—Price to public is $3 per share.

Underwriters—Van Alstyne, Noel & Co. is named principal underwriter.

GEORGIA POWER & LIGHT CO. on March 30 filed a registration statement for $2,500,000 first mortgage bonds series due 1975.

Details—See issue of April 5.

Offering—Offering price to the public will be filed by amendment.

Underwriters—The bonds are to be sold under the Commission's competitive bidding rule and names of underwriters will be filed by amendment.

GRAYSON SHOPS, INC. (of California) on March 30 filed a registration statement for 175,000 shares of common stock (par $1), including 75,000 shares to be purchased upon the exercise of warrants.

Details—See issue of April 5.

Business—Operates a chain of 26 retail shops for the sale at retail of women's ready-to-wear apparel, etc.

Offering—Price to public will be filed by amendment.

Underwriters—Emanuel & Co., New York, is principal underwriter, with names of others to be filed by amendment.

HARSHAW CHEMICAL CO. on March 30 filed a registration statement for 43,000 shares of common stock (no par).

Details—See issue of April 5.

Offering—The offering price to the public will be filed by amendment.

Underwriters—Field, Richards & Co., and McDonald & Co., both of Cleveland, are named principal underwriters, with names of others to be filed by amendment.

THE HUB, HENRY C. LYTTON & CO. on March 15 filed a registration statement for 130,000 shares of common stock (par $1). Of the total 30,000 shares are being offered by certain stockholders.

Details—See issue of March 22.

Offering—The offering price to the public will be filed by amendment.

Underwriters—The principal underwriter is Allen & Co., with names of others to be filed by amendment.

HYTRON RADIO & ELECTRONICS CORP. on March 16 filed a registration statement for 225,000 shares of common stock, par $1. Of total, 25,000 shares are issued and outstanding and being sold for certain stockholders.

Details—See issue of March 22.

Offering—Price to the public $5 per share.

Underwriters—Herrick, Waddell & Co., with names of others to be filed by amendment.

Underwriters—None named.
demption date of these stocks.

LASALLE YELLOWKNIFE GOLD MINES, LTD., on March 30 filed a registration statement for 314,512 shares, par value $1.

Details—See issue of April 5.

Offering — Of total registered 200,000 shares consist of a new series of shares and will be sold at $1 per share. There is also included in the registration 114,512 shares which were sold to United States residents prior to registration, and concerning which an offer of recision is to be made.

Underwriters — Company proposes to market its own securities.

LEAR, INC., on March 29 filed a registration statement for 450,000 common shares 50 cents par value. Of the total 50,000 shares are being sold by the trust created by William P. Lear for his children.

Details—See issue of April 5.

Offering—Stock will be sold to the public at $5 per share.

Underwriters—Kobbe, Gearhart & Co.

LOS ANGELES TRANSIT LINES on March 30 filed a registration statement for 429,200 shares of common stock (par $10). All of the shares are outstanding and are being optioned to underwriters by American City Lines, Inc.

Details—See issue of April 5.

Offering—Offering price to public will be filed by amendment.

Underwriters—Blyth & Co., Inc.; Bateman, Eichler & Co.; Alex. Brown & Sons; Hill, Richards & Co.; W. C. Langley & Co.; Lazard Freres & Co.; Laurence M. Marks & Co.; Mason Bros.; Pacific Co. of California; Reynolds & Co.; Shuman, Agnew & Co.; William R. Staats Co.; Stein Bros. & Boyce; Wertheim & Co., and Dean Witter & Co.

McQUAY - NORRIS MANUFACTURING CO. on March 27 filed a registration statement for 20,000 shares of 4¼% cumulative preferred stock ($100 par).

Details—See issue of April 5.

Offering—Shares are being offered for subscription to holders of common stock at rate of one share of preferred for each 17 shares of common held of record April 10. Subscription rights will expire April 23. Subscription price is $105 per share. Unsubscribed shares will be purchased by underwriters and sold to the public.

Underwriters—Shields & Co., is named principal underwriter.

MUTER CO. on March 30 filed a registration statement for 133,000 shares of common stock, par $1. Of total 108,000 shares are being offered to the public, of which 18,000 shares are by company and 90,000 shares by a stockholder. The statement also covers 25,000 shares upon exercise of stock purchase warrants entitling holder to purchase common stock within two years of offering date at $7.50 per share.

Details—See issue of April 5.

Offering—Public offering price of the 108,000 shares is $5 per share.

Underwriters—Hicks & Price, Chicago, is named principal underwriter.

NEWCOR MINING & REFINING, LTD., on March 10 filed a registration statement for 500,000 shares of common stock without par value.

Details—See issue of March 15.

Offering—Price to the public is $1 per share.

Underwriters — Tellier & Co. is named principal underwriter.

NU-ENAMEL CORP. on March 30 filed a registration statement for 50,000 shares 60-cent cumulative dividend convertible preferred stock, par $5.

Details—See issue of April 5.

Offering—Company is initially offering new preferred to holders of its common stock for subscription at $10 per share on basis of one share of preferred for each 6½ shares of common. Unsubscribed shares will be offered to public by underwriter at $10 per share.

Underwriters—Floyd D. Cerf Co. of Chicago, is named principal underwriter.

OAK MANUFACTURING CO. on March 19 filed a registration statement for $1,000,000 ten year 5% sinking fund debentures due April 1, 1955, and 350,000 shares common stock, par $1. Of the stock, 300,000 shares are issued and outstanding and being sold by certain stockholders.

Details—See issue of March 22.

Offering—The offering price of the debentures to the public is 100 and of the common stock $10 per share.

Underwriters—Paul H. Davis & Co., is named principal underwriter, with names of others to be filed by amendment.

OLD STAR DISTILLING CORP. on Aug. 14, 1944 filed a registration statement for 5,000 shares of $100 preferred stock, non-cumulative and non-participating. Price to public will be $110 per share.

Details—See issue of Aug. 24, 1944.

Underwriters—No underwriter named

Withdrawal — Request for withdrawal filed March 30.

REEVES-ELY LABORATORIES, INC., (formerly Reeves Sound Laboratories, Inc.) on March 23 filed a registration statement for 550,000 shares of 30-cent cumulative convertible preference stock ($4 par).

Details—See issue of March 29.

Offering—The offering price to the public will be filed by amendment.

Underwriters—H. M. Byllesby & Co., heads the underwriting group, with names of others to be supplied by amendment.

ST. JOSEPH LIGHT & POWER CO. on Feb. 28 filed a registration statement for 13,056 shares of Class A 5% cumulative preferred stock, par $100.

Details—See issue of March 8.

Offering—The company is offering 13,056 shares of its Class A 5% preferred shares in conversion share for share of the outstanding 5% cumulative preferred shares held by others than Cities Service Power & Light Co.

Underwriters—The company has retained Estabrook & Co., G. H. Walker & Co. and Prescott, Wright, Snider Co. as exchange agents to secure and procure consents of preferred shareholders to the conversion.

The company also proposes to refund the $4,806,000 first mortgage bonds, 4½% series due 1947 and to reduce the aggregate principal amount of its indebtedness to $3,750,000 by redeeming the outstanding bonds and issuing $3,750,000 of new bonds. The bonds will be sold at competitive bidding.

SIGNODE STEEL STRAPPING CO. on March 29 filed a registration statement for 54,000 shares 5% cumulative preferred stock, and 40,000 shares common stock, $1 par.

Details—See issue of April 5.

Offering—Company is offering to holders of 33,264 shares of preference stock the right to exchange such stock for 24.948 shares of 5% cumulative preferred stock on basis of one share of 5% cumulative preferred for 1⅓ shares of preference stock and accrued dividends to July 15, 1945. Underwriters have agreed to purchase the 40,000 shares of common stock and such of the 54,000 shares of 5% cumulative preferred as are not exchanged for outstanding preference stock and offer them to the public at prices to be filed by amendment.

Underwriters—Kebbon, McCormick & Co., is named principal underwriter, with names of others to be filed by amendment.

SOUTHWESTERN INVESTMENT CO. on March 12 filed a registration statement for 12.500 shares preferred stock, convertible, no par, non-participating with cumulative dividend rights of $1 per share per annum, and 60,000 shares of common, no par. Of the latter 20,000 shares is to be reserved to meet conversion requirements of the preferred.

Details—See issue of March 15.

Offering—Holders of the $1.20 preferred stock have been given the option to exchange their stock on a share for share basis for the $1 preferred stock. Any of the $1 preferred not issued in exchange will be offered to the public at $20 per share. Corporation also is offering 11,822 authorized but unissued shares of common at $12.50 per share.

Underwriters—None named.

TEXAS ELECTRIC SERVICE CO. on March 2 filed a registration statement for $18,000,000 first mortgage bonds series due 1975 and 68,875 shares of preferred stock, par $100. The interest rate on bonds and dividend rate on preferred stock will be filed by amendment.

Details—See issue of March 8.

Offering—The company is offering to exchange the new preferred stock for outstanding $6 preferred stock on a share for share basis plus an amount in cash equal to the difference between $110 and the public offering price of the new preferred stock. The bonds and unexchanged shares will be sold at competitive bidding, with the price to the public to be filed by amendment.

Underwriters—The names will be filed by amendment.

UNIVERSAL CAMERA CORP. on March 19 filed a registration statement for 663,500 shares Class A common stock, par value one cent a share, with Class A common stock purchase warrants. Of the total 530,500 are issued and outstanding and are being sold by certain stockholders.

Details—See issue of March 29.

Offering—The initial offering price is $5 per share. Of the 133,000 shares being offered for account of company, 20,000 are to be offered to employees at $4.25 per share. Shares not subscribed for by employees will be sold to public through underwriters along with the rest of the public offering. For every ten shares of common stock bought, purchasers, other than employees, will receive warrants to subscribe to one share of common stock, at $5 per share, on or before Dec. 31, 1948. Employees will receive such warrants for each five shares of common stock purchased.

Underwriters — Floyd D. Cerf Co. is named principal underwriter.

Hearing set for April 25 by SEC.

UNIVIS LENS CO. on March 12 filed a registration statement for 42,702 common shares, (par 50 cents). Of the total 12,000 shares are being sold by the company and 30,502 shares are issued and being sold by stockholders.

Details—See issue of March 22.

Offering—The price to the public is $6.50 per share.

Underwriters — Allen & Co. is named principal underwriter.

VIRGINIA ELECTRIC & POWER CO. on March 23 filed a registration statement for $33,000,000 first and refunding mortgage bonds Series E due March 1, 1975.

Amount of Offering Increased—In an amendment filed March 26 company increased amount to be offered to $59,000,000. The interest rate will be filed by amendment.

Details—See issue of March 29.

Underwriters—The bonds will be sold at competitive sale and the names of the underwriters filed by amendment.

WALTHAM WATCH CO. on March 30 filed a registration statement for $3,881,040 convertible 5% income debentures subordinated) due May 1, 1975 and 244,000 shares common stock, class B (no par).

Details—See issue of April 5.

Offering—The securities are being offered to stockholders pursuant to a plan of recapitalization subject to plan being approved by stockholders. Holders of presently outstanding 32,342 shares of 6% preferred, par $100, would receive for their shares, with all accumulated dividends $120 of debentures. Plan also provides that each share of class A stock will receive 10 shares of class B and that each share of present class B will be split two for one. Capitalization after consummation of the plan would consist of $3,881,040 of debentures, convertible into class B stock at $25 per share, and 327,737½ shares of class B common stock, which would be the sole equity stock.

Underwriters—Union Securities Corp. and A. C. Allyn & Co., Inc., are named principal underwriters, with others to be named by amendment.

WELLS-GARDNER & CO. on March 30 filed a registration statement for 160,000 shares of common stock, par $1. The shares are issued and outstanding and are being sold for the account of seven stockholders.

Details—See issue of April 5.

Offering—Price to the public is $8.25 per share.

Underwriters—Paul H. Davis & Co. and Shillinglaw, Bolger & Co., Inc., both of Chicago, are named principal underwriters

WEST VIRGINIA WATER SERVICE CO. on March 5 filed a registration statement for 14,000 shares of $4.50 cumulative preferred stock and 100,000 shares of common. The preferred stock only represents a new issue.

Details—See issue of March 15.

Offering—Company will sell preferred stock to the underwriters who will offer same to holders of present $6 cumulative preferred at $104 per share. Any stock not subscribed by the stockholders will be offered to the public at $104 a share.

Offering price of common stock to the public will be $13.50 per share.

Underwriting—Allen & Co. and Shea & Co.

WHITE COUNTY WATER CO. on March 30 filed a registration statement for $276,000 first mortgage 4% refunding bonds.

Details—See issue of April 5.

Offering—Price to the public 100.

Underwriters — Pyramid Life Insurance Co., Little Rock, Ark.

WILCOX-GAY CORP. on March 27 filed a registration statement for 198,800 shares of common stock (par $1). Of the total 18,800 shares are issued and outstanding and are being sold by Chester M. Wilcox, president and treasurer.

Details—See issue of April 5.

Offering—The offering price will be filed by amendment.

Underwriters—Kobbe, Gearhart & Co., Inc., and Carr, Chapin & Co.

N. Y. State Chamber Against More TVA's

Warning of the danger of the country being covered by a network of TVA's which would drive private enterprise from the power field, a report made public on April 2 by the Chamber of Commerce of the State of New York urged Congress to defeat the Murray, Mitchell and Rankin bills creating eight additional regional authorities similar to the TVA and extending the territory of the latter.

Arthur M. Reis, Chairman of the Committee on Internal Trade and Improvements, which drew the report, will present it for approval at the monthly meeting of the Chamber of Thursday, April 5. The report regards the legislation as a further attempted invasion of State rights by the Federal Government.

"These bills would strip the States of important activities which are now in general carried on under State authority, such as regulation of water pollution, compacts for flood control as under the Flood Control Act of 1936, certain rivers and harbors improvements, and particularly the regulation of electric utilities," the report states.

"The regional authorities created can be expected to be strictly political in character, and the powers granted to them are considered sufficient to place practically every stream of water, large or small, in the United States, under their jurisdiction, to such an extent that permission would have to be secured to use water therefrom by any municipality or industrial establishment; while railway and highway authorities would be subject to control in the building of bridges over a stream."

Declaring that the most important factor in production in a highly industrialized nation like the United States is electric power, the report says that "its control by an unregulated monopoly enables regimentation of the community's economic life." The report points out that there is no guarantee in the bills that the efforts to control floods and conserve national resources will not be subordinated to the production of power.

"One thing is certain, however, that the electric power business carried on by the Federal Government in competition with its own citizens will assume large proportions in all sections of the United States," the report continues.

"The question before the natio really is whether the Governme is to engage wholly in business, or whether private enterprise is t be encouraged to carry on. Floo control should not be used as a excust for Government ownersh and operation of super-luxurio power projects at the taxpayer expense, particularly when t taxpayers are already confronte with a $300,000,000,000 war debt

DIVIDEND NOTICE

NATIONAL DISTILLERS PRODUCTS CORPORATION

The Board of Directors has declared a regular quarterly dividend of 50¢ per share on the outstanding Common Stock, payable on May 1, 1945, to stockholders of record on April 16, 1945. The transfer books will not close.

THOS. A. CLARK
March 29, 1945 TREASURER

MEETING NOTICE

NORFOLK AND WESTERN RAILWAY COMPANY
Roanoke, Virginia, April 3, 1945.
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of Norfolk and Western Railway Company w be held, pursuant to the By-laws, at the principal office of the Company in Roanok Virginia, on Thursday, May 10, 1945, at 1 o'clock A. M., to elect three Directors for a term of three years.

Stockholders of record at the close of busine April 20, 1945, will be entitled to vote at such meeting.

L. W. COX, *Secretary*.

The Road to Bretton Woods

(Continued from page 1741)

Monetary plan would give us, and from which a return to the international gold standard alone can save us, that I am opposing Bretton Woods and advocating a return to gold. The only hope of international monetary stability on a wide scale is in a return to the international gold standard. If, on that proposition, there are some doubting nations at the present time, their doubts will rapidly evaporate as a result of the experiences of war-ridden countries with managed inconvertible paper money standards during the years immediately following the war and before effective stabilization *on any plan* would be possible on a large scale. The time will soon arrive, as it did after the last war, when the public everywhere will be sick and tired of politically managed paper-money schemes and of the resulting inflationary evils, and will long to get back to a solid monetary standard, to something in which they have confidence. In such a distracted world there is no commodity in which they will have so much confidence as gold—the most highly exchangeable and the most widely prized single commodity in the world. This will then be again recognized as true, as it was by The International Financial Conference of Brussels in 1920, at which all the important nations of the world—39 in number—were represented. The Conference resolved unanimously: "It is highly desirable that the countries which have lapsed from an effective gold standard should return thereto. . . ." Two years later this recommendation was reaffirmed by the International Monetary Conference held at Genoa, which said:

> "An essential requisite for t economic reconstruction c Europe is the achievement b each country of stability in t value of its currency. . . . Measures of currency refor will be facilitated of the pra tice of continuous cooperatic among central banks can be d veloped. . . . It is desirab that all European currencie should be based upon a comm standard. . . . Gold is the on common standard which European countries could present agree to adopt. . . . In a number of countries it w not be possible for some yea to restore an effective go standard; but it is in the general interest that the Europea governments should declar now that this is their ultima object, and should agree on the programme by way of which they intend to achieve it."

This is sound doctrine for the world today. The only prospec at this time, as then, for a trul international standard is gold, an the only realistic monetary internationalists are the advocates c a return as soon as possible to th time-tested international gol standard. In the task of rehabilitating that standard and of making it a continually better standard we should generously cooperate with other nations. As th world's only important credito nation, however, and the natio to whom monetary stabilit means most, we should refuse t be jockeyed into a grandio global scheme for a conglomeration of politically managed pape money standards—a scheme i which debtor nations would ca the tune and Uncle Sam woul ultimately pay the fiddler.

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"Our Reporter on Governments"

By JOHN T. CHIPPENDALE, JR.

The government bond market continued its upward surge with new highs being made in the taxable obligations, as the demand for the intermediate and long term obligations continued, with the 2½s due 1956/58 and the 2½s due 1967/72 showing the largest gains. . . . It is evident that the fear that no more intermediate and long term issues will be offered to the banks has created a great demand for these obligations, although it is reported that recent price advances have taken place on comparatively light volume. . . . The partially exempts were featured obligations with the middle and long term issues registering sizeable gains, as the last two maturities of these securities went to new all time high levels. . . . This is a resumption of the process of bringing these obligations in line on a yield basis with the taxable bonds.

Despite the advanced levels at which the partially exempts are now selling, the last four maturities of these securities still give a better tax free return, than is obtainable in comparable issues of the taxable bonds.

TECHNICAL POSITION

Whether the technical position of the market will remain as it is today will probably depend on developments between now and the close of the coming War Loan. . . . There is no doubt that the technical position of the Government bond market now is such that it is causing concern among informed students of the money markets. These sources, for one thing, question the advisability of having the market go to levels where the maintenance of such prices in the future may be dependent upon perpetual government control of the money markets.

COMMERCIAL vs. SAVINGS BANKS

Commercial banks with savings deposits, which in a large measure are the so-called "country banks," will be allowed to purchase in the Seventh War Loan only the ⅞% certificates and the 1½% bonds due December 15, 1950, to the extent of $500,000 or 10% of time deposits, whichever is smaller. . . . It is indicated that these institutions feel that they should be given better treatment in the drive, because to many of these banks savings deposits are more important than commercial deposits and particularly since the savings banks can buy both the 2¼s and the 2½s.

These commercial banks with time deposits, have to pay interest on these deposits as do the savings banks, and they believe that they should be extended the same coupon privileges accorded the latter in the coming drive.

Purchases of the ⅞% certificates and the 1½% bonds by these banks will create deposits, and purchasing power, just the same as would subscriptions to higher coupon bonds.

COST TO TREASURY

The limited amount of securities that can be bought by the commercial banks with savings deposits would not be large enough to mean a substantially increased cost to the treasury, if they were allowed to buy the 2¼s and 2½s instead of the ⅞% certificates and the 1½% bonds.

The financial position of the commercial banks with time deposits, is such that they can meet any deposit changes that may take place, so liquidity is not considered to be the need of these institutions.

The fact that these banks are not allowed to subscribe to the 2¼s and 2½s in the Seventh War Loan, has forced these institutions into the long term high coupon taxable issues, in order to get income to meet expenses of time deposits, which are increasing daily. . . . As a result these banks are putting long term bonds on their books at a premium, since they have been allowed to purchase only the short and medium term issues in the coming drive.

BANK EARNINGS

Federal authorities appear to be greatly concerned over the trend of bank earnings, caused principally by the large holdings of Government bonds by these institutions. . . . This discussion about the substantial position that the banks have in Government bonds provokes the question as to why these institutions have such large holdings of these securities.

There appears to be one answer to this question and that is, these institutions bought the Government bonds to finance the deficit, and the war, because individuals have refused to carry their share of the burden.

The banks have done a much more patriotic job in financing the war than have the individuals in this country. . . . The banks have taken the bonds the Treasury has offered them at rates set by the Government, which have been substantially lower than those offered to individual investors. . . . Nor is it a question of individuals not having the wherewithal to purchase these Government securities since available data proves that they are amply supplied with funds.

INDIVIDUAL RESOURCES

Currency in circulation recently reached an all time high of $25,944,000,000, almost as large as the first World War debt, and the greater part of this is held by individuals. . . . Assuming that $10 billions of currency in circulation is needed to carry on the expanded business, and this is considered a liberal allowance, it still leaves more than $15 billions of hoarded money, a part of which at least should be put in Government bonds.

If only 30% of the $15 billions were invested in Series "E" bonds it would be in excess of the quota set for individuals in the Seventh War Loan.

It would also provide the Treasury with $4½ billions that would not have to be obtained from the banks, and deposits and purchasing power in that amount would not be created, neither of which are needed at this time.

DEMAND DEPOSITS

Demand deposits of individuals at the close of 1944 aggregated $34 billions, according to data published by the Securities and Exchange Commission. . . . This figure indicates that individuals could buy a substantial amount of Government securities. If only 25% of these deposits were invested in Government bonds, for example, it would mean that the Treasury would have to borrow $8½ billions less from the banks to finance the deficit.

TIME DEPOSITS SOAR

Time deposits of individuals at the end of last year amounted to $39 billions, with the increase for last year totaling $7.1 billions the largest yet reported. . . . If the increase in time deposits of individuals for 1944, were the only amount invested in Government bonds, it would leave $7.1 billions less for the Treasury to raise from the banks. . . . The total amount of funds that the Treasury would obtain from individuals based on these assumptions, that are not considered excessive, would be almost as much as was obtained in the Sixth War Loan.

It would result in $20 billions less in deposits, and it would mean that the banks would not have their Government portfolio increased by that amount.

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Wilmington Chemical
Corporation

Memo on Request.

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The Commercial and
FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 161 Number 4378 New York, N. Y., Thursday, April 19, 1945 Price 60 Cents a Copy

The Financial Situation

A new President has taken office, and no feeling of delicacy or of anxiety should be permitted for a moment to interfere with a very careful stock-taking by him and by the American people. Of course, the most immediate task is that of completing the victory over our enemies. President Truman promptly let it be known that he intends to devote himself fully to the accomplishment of that task. It was taken for granted. No one in his right senses would suggest that there be any change either in policy or procedure which would delay or defer the day when hostilities will cease.

Otherwise there is no good reason why the new President should not set his own course, and certainly there is every reason why the American people should reappraise what has been going on and lend aid to the President in the formulation of future policies for this nation. The course we have been following these past 12 years is in many respects far more revolutionary than any but a few of us realize. This course, however, was that of a President who had been able to get such a hold upon the public mind that public thinking in any really sane way had almost ceased. That situation abruptly changed last week. It would be a most excellent thing if the American people now quite calmly and without passion sat down to ascertain what it really thinks of New Deal ideas without the charm of Mr. Roosevelt to support them.

We Have Wandered Far

We have wandered far since 1933. One of the speakers before the Academy of Political Science in this city early this month set the situation forth quite neatly—probably without fully realizing that he was doing so. Here are his words:

(Continued on page 1748)

Death of Franklin D. Roosevelt

President Roosevelt

The death of Franklin D. Roosevelt, at Warm Springs, Ga., where he was staying for a 10-day rest was announced on April 12. The late President, who served as Chief Executive for 12 years since 1932, and who successfully campaigned for a fourth term, died of a cerebral hemorrhage at 63 years of age.

Merriman Smith, writing for the United Press from Warm Springs said:

"Mr. Roosevelt's death came at 3:35 P. M. Central War Time, only two and a half hours after he had been stricken by a severe headache.

"News of Mr. Roosevelt's death came from his secretary, William D. Hassett, who called in three press association reporters who had accompanied the President to War Springs and said: 'It is my sad duty to inform you that the President died at 3:35 (central time) of a cerebral hemorrhage.

"Simultaneously, the word of the President's death was telephoned to the White House in Washington and announced there, at 5:14 p. m., by Stephen T. Early, his secretary and confidant since he first took office in 1933 to become the only President in the nation's history to be elected for more than two terms.

"Almost daily during his stay he took long automobile rides in the Georgia spring sun and had been keeping up constantly with developments in Washington and abroad by telephone and through official papers flown to him every morning.

"His last official act was to sign legislation extending the life of the Commodity Credit Corporation. As he signed the bill, he remarked to Mr. Hassett, 'Here's where I make a law.'"

Although at the beginning of his last election fight Mr. Roosevelt said that he would not actively campaign against Thomas E. Dewey, he was forced to make speeches and appearances in the country's largest cities to insure his popularity. This, and his long trip to Yalta bore heavily on his fading good health.

During Mr. Roosevelt's era, he faced some of the most serious crises that ever confronted the United States. When in 1932 he was first elected President the country was faced with the most serious depression in its history.

Through his entire political career he was a strict advocate of an international organization, and fought vigorously for the entrance of the United States into the old league. During this war with his meetings with Churchill, Stalin and Chiang Kai-shek he did much to bring about the world wide interest in the new international organization which will

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Truman Sworn In As President

President Truman

Harry S. Truman, was sworn in as President of the United States in a two-minute ceremony in the Cabinet Room of the White House at 7:09 on April 12. Slightly more than 2½ hours had elapsed since the death of Franklin D. Roosevelt, when Chief Justice Harlan F. Stone administered the oath to Mr. Truman.

He becomes the thirty-second President of the United States and the seventh Vice-President to take over the Presidency due to the death of a chief executive.

President Truman, who is 60 years old, was born in Lamar, Missouri, on May 8, 1884, and served as a captain in the first World War.

Advices of the New York "Times" from Washington said:

Even before he had taken the oath Mr. Truman had asked President Roosevelt's Cabinet to continue in service.

To the newsmen at the White House he sent this word through Stephen Early, press secretary:

"For the time being I prefer not to hold a press conference. It will be my effort to carry on as I believe the President would have done, and to that end I have asked the Cabinet to stay on with me."

Mr. Truman received word

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Keynes-Morgenthau or Bretton Woods Scheme

By HON. FREDERICK C. SMITH*
Representative in Congress From Ohio

Congressman Asserts the Bretton Woods Pact Proposes to Deprive the United States of Its Power Over Its Currency, While Leaving Russia and Great Britain as Borrowers Control Over Their Own Currency. Says Borrowing Countries Would Dictate Loan Terms and, Because of Provision for "Periodic World Inflation," Would Lead to Repudiation of International and Domestic Debts. By "Rationing Dollars" He Contends the Fund Could Limit Our Foreign Trade, Lower Our Living Standards and Cause Economic Depression. Calls Scheme World Communism.

Frederick C. Smith

In the short time at my disposal this evening I want to tell you a few things about the Keynes-Morgenthau Scheme, or what is now being so widely publicized by the Government as the Bretton Woods Proposals for an International Monetary Fund.

Numerous government departments, particularly Treasury and State, are flooding the country with propaganda, at a tremendous cost to taxpayers, to force Congress to adopt this scheme.

But the spokesmen for the scheme seem to be very careful not to tell you what it really provides and what it would do should Congress approve it. They describe it in glittering generalities, tell you it would bring about stabilization of currencies, international cooperation, provide millions of jobs by stimulating our export trade and form one of the main pillars of the peace structure.

Those are of course praiseworthy objectives, but from my study of this proposal I am convinced that it would not accom-

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*An address by Congressman Smith (Republican), member of House Banking and Currency Committee, over the Columbia Broadcasting network, April 10, 1945.

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Views Postwar Easy Money Rates

P. F. Gray of Irving Trust Company, Tells Controllers That Maintaining a Low Interest Rate on Government Obligations Will Keep Commercial Paper Rates Low. Says Banks Are in Position to Expand Credits and Are Concerned About Problem of Finding Suitable Loan Outlets.

Philip Gray

Easy money and low rates of interest in the early post-war period were predicted by P. F. Gray, Vice President of the Irving Trust Co. in a talk on April 12 before the New York Control of the Controllers Institute of America, meeting at the Hotel New Yorker, in New York City.

"Various prominent spokesmen for the Government," said Mr. Gray, "closely identified with its banking and fiscal policies have repeatedly indicated in public statements during recent years that they intend to follow policies which will maintain interest rates at relatively low levels. The devices at the command of the Government in this respect are very powerful indeed, and without attempting to outline them in detail it is sufficient to mention only one or two of the principal ones such as the power to reduce member bank reserve requirements and the power to increase the expansibility of bank credit through Federal Reserve open-market operations.

"The interest rate structure is stratified upon a basis of credit risk and, although the relationships between various types of credit are by no means rigid, nevertheless it is true that in the long run the rates on different grades of paper tend to move in the same direction, other conditions remaining unchanged. Consequently, there is good basis for the belief that the maintenance of relatively low open-market rates of interest, as exemplified by yields of U. S. Government obligations, will find reflection in comparatively low rates on bank loans to customers of good credit standing."

Speaking of the availability of bank funds for loans in immediate post-war period, Mr. Gray said: "Although many factors have a bearing upon the reserve position of the banks, our monetary and banking authorities during recent years have so governed their operations as to maintain the reserve balance of the banks well above their legal requirements so that they in turn could freely accommodate all legitimate demands for credit. For some time past the

(Continued on page 1750)

Precisely!

"Many of its [the so-called full employment budget bill] objectives were laudable but there was one point which received only casual reference. I refer to the simple question of 'Where is the money coming from?'

"The school of thought which has been prominent in recent years in advocating public spending would answer simply that if Government sees to it that we have a high national income, the budget will take care of itself. . . .

"We are not fearful of the avowed enemies of the free enterprise system. They are few in number and they seldom attain positions of power. The men who will bear watching are those who profess to believe in free enterprise, but with certain conditions always attached, such as: provided it is helped by Government, supplemented by Government, protected by Government against its own weakness.

"These are the same self-styled friends who say: 'If industry doesn't provide full employment, Government must step in and take over,' having all the time a plan for that purpose in their inside pocket, ready to be flashed on the public the minute industry fails to perform to their liking." — James A. Farley.

Along with many others, we should much like to see the new Administration gather about it men who show this sort of good sense to take the place of what have come to be known as the "hot-dog boys."

President Roosevelt's Last Speech

The late President Roosevelt in a speech written the night before he died declared that Americans were determined there should not be a third World War, it was disclosed in an Associated Press dispatch from Washington, on April 13, which also had the following to say:

The text of the speech, which the President was to have delivered by radio tonight in observance of 350 Jefferson Day dinners throughout the nation, was handed to newspaper men by Stephen T. Early, Presidential Secretary, as the funeral train paused in Atlanta.

The text follows:

"Americans are gathered together this evening in communities all over the country to pay tribute to the living memory of Thomas Jefferson — one of the greatest of all democrats; and I want to make it clear that I am spelling that word 'democrats' with a small 'd.'

"I wish I had the power, just for this evening, to be present at all of these gatherings.

"In this historic year, more than ever before, we do well to consider the character of Thomas Jefferson as an American citizen of the world.

"As Minister to France, then as our first Secretary of State and as our third President, Jefferson was instrumental in the establishment of the United States as a vital factor in international affairs.

"It was he who first sent our Navy into far-distant waters to defend our rights. And the promulgation of the Monroe Doctrine was the logical development of Jefferson's far-seeing foreign policy.

"Today this nation which Jefferson helped so greatly to build is playing a tremendous part in the battle for the rights of man all over the world.

"Today we are part of the vast Allied force—a force composed of flesh and blood and steel and spirit—which is today destroying the makers of war, the breeders of hate, in Europe and in Asia.

"In Jefferson's time our Navy consisted of only a handful of frigates — but that tiny Navy taught nations across the Atlantic that piracy in the Mediterranean — acts of aggression against peaceful commerce and the enslavement of their crews—was one of those things which, among neighbors, simply was not done.

"Today we have learned in the agony of war that great power involves great responsibility. Today we can no more escape the consequence of German and Japanese aggression than could he avoid the consequences of attacks by the Barbary corsairs a century and a half before.

"We, as Americans, do not choose to deny our responsibility.

"Nor do we intend to abandon our determination that, within the lives of our children and our children's children, there will not be a third world war.

"We seek peace — enduring peace. More than an end to war, we want an end to the beginnings of all wars—yes, an end to this brutal, inhuman and thoroughly impractical method of settling the differences between governments.

"The once powerful, malignant Nazi state is crumbling, the Japanese war lords are receiving, in their own home land, the retribution for which they asked when they attacked Pearl Harbor.

"But the mere conquest of our enemies is not enough.

"We must go on to do all in our power to conquer the doubts and the fears, the ignorance and the greed, which made this horror possible.

"Thomas Jefferson, himself a distinguished scientist, once spoke of the 'brotherly spirit of science, which unites into one family all its votaries of whatever grade, and however widely dispersed throughout the different quarters of the globe.'

Science of Humanity

"Today, science has brought all the different quarters of the globe so close together that it is impossible to isolate them one from another.

"Today we are faced with the pre-eminent fact that, if civilization is to survive, we must cultivate the science of human relationships—the ability of all peoples, of all kinds, to live together and work together, in the same world, at peace.

"Let me assure you that my hand is the steadier for the work that is to be done, that I move more firmly into the task, knowing that you—millions and millions of you—are joined with me in the resolve to make this work endure.

"The work, my friends, is peace, more than an end of this war—an end to the beginnings of all wars, yes, an end, forever, to this impractical, unrealistic settlement of the differences between governments by the mass killing of peoples.

"Today as we move against the terrible scourge of war—as we go forward toward the greatest contribution that any generation of human beings can make in this world—the contribution of lasting peace, I ask you to keep up your faith. I measure the sound, solid achievement that can be made at this time by the straight-edge of your own confidence and your resolve. And to you, and to all Americans who dedicate themselves with us to the making of an abiding peace, I say:

"The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith."

New York Life Ins. Co. Marks 100th Year

The 100th anniversary of the New York Life Insurance Co. was celebrated on April 12. In view of the war, no special ceremonies have been scheduled at the company's home office, 51 Madison Avenue, New York City, where the employees are staying on the job and business is going on as usual. Throughout the United States and Canada, New York Life agents are observing the beginning of their company's second century by making a renewed effort.

On April 11, following the regular monthly meeting of the Executive Committee of the New York Life's Board of Directors, the officers and directors held an informal luncheon at which there were brief remarks by George L. Harrison, President of the company, and other members of the Board.

The New York Life started business on April 12, 1845, as a mutual life insurance company, having been organized by a group of leading New York business men who pledged their personal notes for $55,815 so that the company would have the funds to meet early expenses and losses. These notes were cancelled in 1850 when the assets of the company exceeded $200,000. The New York Life has never had any stockholders and dividends have been paid only to policyholders.

The company's assets passed the million-dollar mark in 1855, the one hundred million-dollar mark in 1890 and the billion-dollar mark in 1923. According to its 100th annual report, assets exceeded $3,500,000,000 and surplus funds held for general contingencies amounted to $230,000,000, on Dec. 31, 1944.

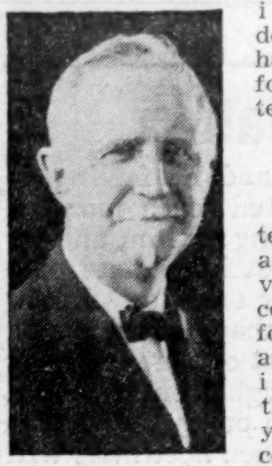
The New York Life, during the past century, has pioneered in a number of important developments in the life insurance business such as the introduction of non-forfeiture benefits in policies, insuring women at the same premium rates as for men, insuring substandard risks at an advance in rate, publishing a comprehensive annual report to policyholders, adopting a security plan for agents to promote better service to policyholders and reduce the turnover of agents, and providing an educational program for the agents.

During the past century the company has paid over six billion dollars to policyholders and beneficiaries. Of this total, four billion dollars was paid to living policyholders and two billion to the beneficiaries of those who died. Insurance in force, as the company enters its second century, exceeds $7,600,000,000 and is equal to about $220 for every family in the United States.

Fundamentals of Successful Investing

Roger W. Babson Advises the Would-Be Investor

BABSON PARK, MASS.—"Mr. Babson, I have sold my business, where can I invest the proceeds?" "My wife and I are getting along in years, in what can we invest our money so that we will be assured of a moderate income for the rest of our lives?" "I have just inherited $5,000, how can I double this money quickly?" These questions are typical of the many asked me from week-to-week. Behind each lies the instinctive desire of all human beings for self-protection.



Roger W. Babson

Know Yourself

Before entering upon an important venture—and certainly before buying any stock—imperative that you know yourself. Self-control, patience and courage are essential to success. Have you the self-control to follow a strict investment policy? Do rumors and minor fluctuations fail to sway you? Have you the patience to hold your funds liquid until a real bargain comes your way? Do you resist jumping into a bull market in the hope of scalping a few points profit on the advances? Have you the courage to buy when the news is pessimistic and everyone about you is selling? Will you sell when stocks are on the upgrade and everybody is talking about the new highs to be reached?

If you can answer "Yes" to each of these questions and if you have some extra money to invest, you have the attributes for becoming successful. Then you can determine your own particular needs and select a diversified group of securities which will meet these requirements. After you have purchased your securities, do not be concerned over day-to-day fluctuations. Avoid jumping from one stock to another in the hope of picking a few points profit here and there. Do not follow the crowd. **Always bear in mind that in finance the herd instinct is fatal.**

Selecting Your Company

Before buying any stock you should decide what you expect of it. In the case of the man who has sold his business, the chances are that he will want to own stocks that will appreciate in value. Therefore, he would do well to buy into a young industry—possibly television, plastics or electronics. To the elderly couple who want income, I suggest "Series G" Government Bonds and the securities of well-established companies with a good dividend record and a promising future. To the young person who has inherited the $5,000, I say, "The stock market is no royal road to easy money. A horse race would be just as good a bet and might prove more exciting!"

The investor should carefully study the trend of the market and the outlook for the industry into which he plans to buy. This shows when to buy. He should next analyze the various companies in that industry. He will then select that company which is making the most progress. This company need not necessarily be the largest in its field nor, perhaps, the oldest, but it must be well managed and active. Pay particular attention to the personnel. Remember that the future of every company will depend upon the **character** of the individuals who control and manage it.

"Tips" You May Accept

Approach the stock market in an intelligent manner. Follow the lead of successful institutions and buy the securities they buy. You can determine this by studying reports of insurance companies. Learn to swim before venturing into deep water and above all be wary of tips from well-meaning friends. Even in the rare instances where such a tip makes good temporarily, it usually leads to loss in the end because it is based on ephemeral rather than fundamental factors. The successful investor must know **what** to buy or sell, as well as **when** to buy or sell.

Business Confident of Meeting Cancelled War Contracts Without Loss

The fear of business executives no more than a year ago that cancellation of their war contracts as the day of victory drew near would saddle their companies with staggering inventory losses has generally been replaced by confidence that such emergencies can now be safely met, according to a survey of 150 top executives just completed by the National Industrial Conference Board.

Three reasons are given for this new confidence: (1) adequate reserves have been set up against termination contingencies; (2) termination procedures will promptly shift the burden of wartime inventories to the government, rather than have it remain with the individual company; (3) such inventories as remain can be promptly utilized in production of civilian goods.

More than half of the companies replying indicated that they had no cancellation inventory problem, and an additional 25% have set up sufficient reserves to take care of any losses for which the company may have to be responsible.

An overwhelming majority of the companies reported that at least 75% of their inventories are protected against losses under existing termination pratices. Although specific inventory clauses appear in relatively few contracts, the executives generally believe that the regulation termination clause affords sufficient protection. One manufacturer said:

"If termination articles in war contracts mean what they are alleged to mean, we know of no reason why any contractor should not recover at least cost."

A note of warning, however, was sounded by one executive regarding the position of small manufacturers:

"At present many small manufacturers are riding along with large bank balances and do not have the faintest conception of the problems that will face them when termination comes. They are not set up to handle the terminations properly; they fail to realize how rapidly situations will change at that time; and they do not understand that most of their working capital, if not all of it, is going to be tied up in inventory which they are not prepared to convert into cash."

From Washington Ahead of the News

By CARLISLE BARGERON

There is a general agreement in Washington that the New Deal, the era of excitement and agitation and bitterness, is over, and aside from a few diehard Republicans, the feeling is that it was better it came as it did, rather than through a Republican victory last November. Had Dewey won there would have still been the class conflict, perhaps intensified. And the New York governor would have been under compulsion, perhaps, even to outdo the New Deal. At least he would have been under the compulsion of placating the elements which the New Deal had aroused.

Carlisle Bargeron

As it has come about, Washington is strangely divested of controversy today and the feeling is that it will, relatively speaking, continue to be. We shall return to the purely political fights between Republicans and Democrats but the fundamentals of American living will not be involved.

It is generally agreed that the men who had so much influence around Roosevelt are to be got rid of just as soon as time permits. But the revolutionizing, so to speak, will be far more reaching. Throughout the country, "movements" and organizations which were built around the late President's personality will dry up for lack of the great magnetism around which they were built. Some of them, at least, Truman will want to hold in line. But he won't be able to do it because he is not Roosevelt. The leaders of these "movements" and organizations will undoubtedly seek to rally them behind the new President. But he simply doesn't have that mass appeal.

There come readily to mind the CIO and its political holding company, the CIO-PAC. The CIO was originally conceived by the New Deal and it was pushed to power by the New Deal. It is this writer's prediction that it will gradually disintegrate at least as a separate organization, with Mr. Roosevelt's death. It was his personality that aroused millions who had never voted before in their lives. They will lose interest now. This is not because Truman is anti-labor. As a matter of fact he has been very much pro-labor. He has just about a 100% voting record in favor of labor. The feeling is, however, that he has been closer to the A. F. of L., and particularly, to the Railroad Brotherhoods, than the CIO. But it makes no difference what his voting record has been. The labor leaders will not be able to excite the mass vote for him. He is not of the crusading type.

On the face of things, the CIO whose strength lies overwhelmingly in the war plants, stood to run into difficulties with the closing of these plants. But they had depended on Roosevelt to hold these workers together, even to the extent of preventing the closing of plants. That is now all over.

The Farmers' Union, of which much is heard in the propaganda. will go the way of the CIO. It purported to represent the small farmers. Mostly it is a CIO subsidiary and a paper organization.

There have even been newspapers and publishing houses built around the Roosevelt personality and the cause he symbolized. It will be interesting to see how they fare now. There is nobody for them to rally around. They had realized, the whole so-called Liberal movement had, that FDR could not live forever and they were grooming the crusader, Henry Wallace, to take his place. The hand of fate has ended that gentleman's political career and this is not only this writer's statement, but the opinion of his associates who were enlisted with him in the cause. The feeling is that he will be kept in the cabinet, may be switched back to Agriculture. But wherever he is, in or out of the Cabinet, he cannot pursue his 1948 aspirations. It is to be assumed that the Democrats will renominate their President for the candidacy of 1948. Certainly, Wallace can't work against that in the Cabinet. And out of the Cabinet. he would get nowhere trying to organize a third party.

In passing, it be might worthwhile to note that those Republican "Liberals" are in a hole. There is no one among them capable of arousing a following. What they have been doing mostly was to accept what they thought to be the inevitable. They would, paradoxically enough, have had a place in the sun, under Dewey. They will have none under Truman. They will see such "Liberals" as Claude Pepper of Florida; Guffey of Pennsylvania; Kilgore of West Virginia, on the Democratic side, fade into insignificance. The men who will come to the front will be of the type of Jimmy Byrnes, Senators Walter George, Barkley and Tom Connally. Sam Rayburn, to whom the speakership of the House, has never been anything more than that of an errand boy, will move up to what the office has generally been, one of the most powerful in the land. Under men like Nick Longworth it was second in importance only to the Presidency.

There will be opportunity, too, for men of stature and leadership, to develop out in industry, not politically, but in their own field, and to the point that they will be listened to with respect. Under the tremendous personality of Mr. Roosevelt there was no room for anyone else. Politics and his politics, government and his government, dominated the scene.

We will continue to have Bureaucrats, of course. It will be a long, long time before the size of Government will be appreciably reduced, if ever. Aside from the expense of maintaining it, relatively unimportant these days, it will gradually cease to mean anything other than a conglomeration of government employes. The energy will be taken out of them. They will become harmless and more or less just pensioners.

Roosevelt Estate in Trust to Family

The will of Franklin D. Roosevelt was filed on April 16 before the Surrogate of Dutchess County, leaving his estate, after minor bequests to Mrs. Roosevelt and his children.

The main features of his will were given in a special dispatch to the New York "Times" from Poughkeepsie, on April 16, as follows:

There was nothing in the document to indicate the value of the estate. Under the will of his mother Mrs. Sara Delano Roosevelt, Mr. Roosevelt inherited nine-tenths of her estate. It was appraised at $1,089,872, according to a New York State transfer tax appraisal filed on April 23, 1942.

The late President directed that his residuary estate should be held in trust for Mrs. Roosevelt for her lifetime. At her death half of the principal is to be divided equally among their five children, Mrs. Anna Roosevelt Boettiger and James, Elliott, Franklin Jr. and John Roosevelt. The remaining half of the principal is to be divided into separate trusts for their benefit.

He directed that his wife should have the right to select any personal property that she desired to utilize during her lifetime, and that each of the five children should have the right to select one-fifth of the rest of the personal property.

Any personal property not chosen by them is to be offered by the executors to the United States Government as a gift for display at the Franklin D. Roosevelt library, or the Roosevelt main house at Hyde Park, N. Y. The President and Mrs. Roosevelt deeded the estate and the house to the Government as a national historic site in January, 1944, reserving the right of occupancy for their children as long as they live.

President Roosevelt left a bequest of $5,000 to St. James Protestant Episcopal Church at Hyde Park, of which he was senior warden, to be added to the cemetery fund and used for the upkeep of the Roosevelt family burial plots and the grave of his wife and himself, in the garden of the estate. He directed that a simple stone should be erected over the grave of Mrs. Roosevelt and himself.

He bequeathed his real and personal property in Meriwether County, Georgia, to the Georgia Warm Springs Foundation. It was believed that this consisted principally of the cottage in which he died at Warm Springs and its contents.

Mr. Roosevelt also left $100 in cash to each employee or servant who was in his service at the time of his death, and whose salary or wages were being paid by him personally at that time.

The will contained a provision for the care of Marguerite A. Le Hand, who was Mr. Roosevelt's confidential secretary during his tenure as Governor of New York and during most of his Presidency, but it had lapsed because of her death last July 31.

President Roosevelt directed that his wife was to have the life use of his summer home on Campobello Island, New Brunswick, Canada, if she notified the trustees of her desire to use it and agreed to maintain it properly and pay the taxes and assessments.

He specified that if any of his children should have died before the division of the residuary estate the children of the deceased child should share per stirpes and not per capita.

As executors and trustees Mr. Roosevelt named his eldest son, Col. James Roosevelt of the Marine Corps; Basil O'Connor, his former law partner and long-time personal friend, who is now President of the National Foundation for Infantile Paralysis and Chairman of the American Red Cross, and Mr. Hackett.

Whitmore Heads NYC Nat'l War Fund Drive

Carl Whitmore, President of the New York Telephone Co., accepted on April 11 the Chairmanship of the city's National War Fund Drive for 1945-46, it was announced by Lindsay Bradford, President of the fund, said the New York "Times" of April 12, and added:

"Mr. Whitmore has long been identified with philanthropic movements," Mr. Bradford said. "He understands the needs and importance of this project to raise money for the 31 agencies—including the United Service Organizations, War Prisoners' Aid and United Seamen's Service—which the National War Fund supports."

The State of Trade

The country was saddened by the news on Thursday of last week of the passing of our President, Franklin Delano Roosevelt. Concern in some quarters of the nation was expressed that the death of the President would adversely affect the continued prosecution of the war and the plans previously laid down for peace, but Vice-President Truman in his message to Congress following his accession to the presidency of the United States made it clear in the minds of all that the policy of unconditional surrender set forth by his predecessor would still obtain, and that all war criminals would be tracked down and just punishment meted out to them.

In the matter of foreign and domestic problems, the President re-stated in crisp language his wholehearted endorsement of the policies in effect at the time he assumed leadership of the nation. In the course of his speech to Congress, the President touching upon the conditions necessary for satisfactory relations with other countries said, "Today, America has become one of the most powerful forces for good on earth. We must keep it so. We have achieved a world leadership which does not depend solely upon our military and naval might.

"We have learned to fight with other nations in common defense of our freedom. We must now learn to live with other nations for our mutual good. We must learn to trade more with other nations so that there may be—for our mutual advantage—increased production, increased employment and better standards of living throughout the world."

During the week a constructive step was taken by the government in laying the foundation for a return to civilian production by the authorization on April 11 of the manufacture of machine tools and other equipment for this purpose. The automotive industry was the first industry selected for consideration in preparation for its changeover to peacetime production with the first major item involving an order for about $50,000,000 in machine tools and related equipment. Under the new program, the automotive industry will obtain the priority assistance which the WPB refused last fall when the high hopes entertained at that time for a speedy conclusion of the war in Europe vanished.

Virtually all of this equipment, Mr. Krug explained, will require from three to seven months to fabricate after it is scheduled by the machine tool builders. The steps taken are merely preparatory, he pointed out, and are in anticipation of reconversion of the affected industries at a time when war production will permit.

In initiating the program, the WPB Chairman stated, "the relatively small amount of equipment presently needed will smooth the way for conversion from war to peacetime production. Failure to do this might mean prolonged unemployment and serious economic dislocation."

Steel Industry—The unofficial coal strike affecting particularly those mines vital to steel production was in the spotlight this week as the figures on steel losses rolled in. Units in the Pittsburgh area were the hardest hit, being forced to cut both iron and steel production, states "The Iron Age" in its current review of the steel industry for the past week. The operating rate in this area dropped to 85% for the week but coal shipments from the South were said to be easing the supply situation somewhat.

Mine stoppages and slowdowns since the expiration of the mine workers' contract were not reflected in the operating rate of the Chicago district early in the past week. This was due mainly to a somewhat better inventory position in those plants. The reduction in operating rate of 2.5% last week was due to shutdowns of two big open hearths, coal not being a factor, the trade magazine adds.

So slight was the decline in steel order volume last week that no definite trend could be established. Some speculation is being heard that major steel consumers are trying to thin down their inventories as they did last summer, in anticipation of cutbacks considered imminent.

District offices of steel producers, according to the magazine, report a more hesitant attitude on the part of buyers to place steel orders and that among plate mills there is some evidence of concern over the order picture for coming months. It is felt by some that unless substantial orders are forthcoming soon, operating rates will suffer adversely this summer.

Word now has it that the end of the war in Europe will immediately bring cancellations of about 5% of total war contracts, expanding to around 12% in the next three months. Some belief is current in the steel community, "The Iron Age" points out, that long before the 12% cutback comes to pass some manufacturers, knowing that their work is soon to be eliminated, will cancel to the mills before the services cancel to them. Opinion as to the extent of such policy is mixed, and many steel users will doubtless withhold their cancellations until they are officially notified.

Though cancellations this week are reported somewhat more numerous in most districts, the magazine adds, they still primarily involve small tonnages. The drop in Maritime plate demand combined with the effect of the cancellation of 72 naval combat vessels has resulted in open space in many plate mills in May and June. Current demands are for about 75,000 tons a month, compared with a peak of about one million tons per month. With Maritime directives cut to 80,000 tons for July and none for August there is the possibility that plate demand will fall off to the point that production will be curtailed.

Cutbacks in the ammunition program touched off last week are being continued this week. A meeting in Chicago on Monday of last week was designed to gather ordnance and shell plant officials and map out a 10% reduction of ammunition contracts.

Upheavals in the construction of shell plants were not without reverberations in the shell-steel production field. One company, it is understood, is reported to be soliciting structural business, on the basis that its shell steel program will be cut and there will be open space in its rolling schedules for structural steel.

March shipments of finished products as compared with February seem to have improved in somewhat better proportion than the lengths of the months; one major producer's gain was upwards of 20% and resulted in a reduced carryover of marked proportions. In other instances, however, carryover reduction was effected and sheets continued to be the biggest stumbling block in this direction. While much of the delivery program consisted of clearing out stocks of finished products, nevertheless shipments were heavy.

Advices from Washington, the trade paper concludes, are that numerous new directives, many on sheets, are still to be placed and this will slow the reduction of carryovers this month. On the score of directives, there are no worthy indications that those on

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The Financial Situation

(Continued from first page)

"This opposition by the bankers to the Bretton Woods proposals should be viewed in the light of their background and experience. By training and viewpoint they look at matters of this sort as creditors and to them the rules for debtor-creditor relations are the principal — almost the sale—standards for measuring financial arrangements. Also they are trained to be conservative and to look to the past for guidance, no matter how little there may be in the past that would make one wish for its repetition. A creditor's ideal for the Fund would be a small fund, because that would work towards conservatism, and a fund to which a prospective borrower would come, hat in hand, presenting all his needs, explaining his behavior, submitting to whatever conditions may be imposed upon him, and agreeing to abide by rules to be made for him by the creditor. From a creditor point of view this is the only sound arrangement. However, it entirely misses the point of the new proposal. What is proposed is not primarily a lending institution, but a **new monetary standard supported by a common pool of resources.** It is hoped that this will provide **as much stability** as is consistent with the maintenance of prosperity and at the same time offer **as much flexibility** as may be necessary for the same purpose. The intention is to restore confidence to various countries in their ability to make broad plans for the future, with the assurance that they can increase **their international monetary reserves** by recourse to the Fund **whenever they have legitimate need to do so.** They would not merely be told, as the bankers would tell them, that if they are up against it they may be bailed out of their difficulties by a more or less sympathetic group on more or less tolerable conditions. What they are to be told is that they **are part of an international agreement by which all countries will be given an equal opportunity to obtain assistance from a common Fund** to mutual advantage. This and this alone will give them the assurance that they need to face the great difficulties which are bound to develop in the post-war world."

The Point Not Missed

It is not likely that the bankers have "missed the point." On the contrary, it is much more probable that they have seen the point all too clearly—and that that is what troubles them. The speaker, however, has set forth the essence of this controversy most excellently—if we may pass over certain ad hominem phrases like "hat in hand." What in effect he is saying is that the bankers are appraising these Bretton Woods proposals by standards which throughout all modern ages have been regarded almost universally as appropriate and sound. What these poor benighted men, these bankers, do not seem to understand, so the argument runs, is that these old, old principles have been quite deliberately thrown overboard by the framers of these Bretton Woods programs who, along with the other New Dealers, are planning a new and wholly different world in which old yardsticks are inappropriate. In the past, it has been supposed that a nation, like individuals, deserved financial support and was to be accorded accommodation when, and only when, it demonstrated ability and willingness so to manage its affairs that normal charges on the debt could and would be met as agreed. In the "brave, new world" of men like those who think up programs such as Bretton Woods plans, assurance that obligations will be met is of secondary importance. What is essential is "legitimate need" for larger "international monetary reserves."

No wonder there is no meeting of minds! The bankers are speaking in terms of Euclidian geometry and the New Dealers are wandering around in fourth dimensional space! Evidently what is required is not further argument about details of proposed programs, but a determination of first principles. Obviously if the doctrines of Adam Smith, Mill, Jevons, Ricardo and Marshall are true and sound, these newfangled Funds and Banks as set forth can not possibly stand the light of day. If these classical economists did not understand human nature and economic processes as well as do the so-called economists in official circles in Washington; if not their ideas but others of a vastly different fundamental nature are more closely in accord with the facts of life, then possibly such proposals as those under discussion may have merit —but, of course, that would depend upon the nature of the "laws of nature" which are to be regarded as true and sound.

Down to First Principles

What has just been said concerning the Bretton Woods proposals could in essence be as well applied to many other programs of the day. They involve basic questions of public policy, of political, economic, and social principles. They often rest upon assumptions, very basic assumptions which are glaringly at variance with traditional American ideas. It has been difficult for a variety of reasons to persuade the American people to face this fact, and to come to grips with the question as to whether they are ready to discard traditional principles or not. Is this not a time when it would be most appropriate to reconsider and to reappraise much that has been done and is being planned?

Our new President could scarcely do the country a greater service than to promote such a scrutiny.

Reviews Gold and Silver in 1944

Samuel Montagu & Co., London Bullion and Banking House, Notes Decline in Gold Production. Few Transactions in Gold and the Situation of Silver Unchanged, Though Higher Prices Rule in Bombay.

The well known London bullion merchants and bankers, Samuel Montagu & Co., have issued their annual review of 1944 in which available data of gold and silver production and prices are furnished.

"Owing to the strict measure of control still in force," says the review, "the London Gold Market during 1944 afforded little scope for activity. A few gold holdings were liquidated by sale to the Bank of England, on the authority of the Custodian of Enemy Property, and small amounts of gold coin, mostly in sovereigns and half-sovereigns, which found their way into the market from time to time, were also disposed of to the Bank. Small amounts of gold, for use by the trade for purposes approved by the authorities, were made available by the Bank of England during the year."

The production of gold in different countries is given in the following:

World Gold Production

(In thousands of ounces fine)

	1939	1940	1941	1942	1943	1944
Union of South Africa	12,822	14,047	14,386	14,121	12,800	12,277
Canada	5,094	5,311	5,345	4,841	3,651	2,900
U. S. A.	4,621	4,863	4,832	3,583	1,365	1,000
Mexico	842	883	800	799	750	750
Australia	1,646	1,644	1,503	1,164	770	650
Southern Rhodesia	796	826	790	760	657	595
Colombia	570	632	656	597	566	590
Gold Coast	782	886	885	785	565	520
Peru	267	281	285	258	230	210
Brazil	253	264	235	229	210	200
India	317	289	286	260	252	187
Chile	325	343	263	187	174	170
New Zealand	179	186	186	170	150	150
Elsewhere	10,524	10,355	(9,648)	(8,146)	(7,560)	(7,300)
World	39,038	40,810	(40,100)	(35,900)	(29,700)	(27,500)
British Empire	22,471	24,053	24,200	22,500	19,200	17,600
British Percentage	57.6	58.9	60.3	62.7	64.6	64.0
South African Percentage	32.3	34.4	35.9	39.3	43.1	44.6

"Union Corporation, Ltd.," continued the review, "to whom we are indebted for the foregoing table, makes the following observations:

"From information received to date it is estimated that the world production of gold during 1944 will have been between 27,000,000 and 28,000,000 ounces fine. Assuming a mean figure of 27,500,000 ounces the output will have fallen 7½% from that of 1943 and 33% from that of 1940, the year of peak production.

"In the absence of statistics from enemy and enemy-occupied countries as well as from Russia, the figures shown in brackets in the above table must be regarded as provisional."

Official Gold Sales in Bombay

Sales of gold by the Reserve Bank of India continued through 1944 with the object, according to an official statement, of providing the United States Government and His Majesty's Government with rupees for use on their war expenditure in the country and as an anti-inflationary measure. According to daily announcements made in Bombay, the peak period of sales was in March, when a strong hoarding demand arose in consequence of developments on the Burma front. On March 24 sales by the Reserve Bank in Bombay amounted to 750,000 tolas, equal to 281,250 ounces, and this was the largest daily sale so far recorded; the amount sold during the whole of March was 2,546,000 tolas, which are approximately equal to 955,000 ounces. By way of contrast, during the month of June demand had so slackened off that the Reserve Bank made no sales at all. The total sales for the whole year, also compiled from figures announced daily in Bombay, amounted to about 11,700,000 tolas, or 4,390,000 ounces."

Silver

"Throughout the year 1944," the review states, "the silver quotation in the London Market remained unaltered at 23½d. per ounce standard for both cash and two months' delivery; this was the second successive year during which there had been no fluctuations and the last occasion on which there was a movement in the price was as far back as April 3, 1942.

"The year under review brought no change in conditions. Silver, presumably acquired under lend-lease arrangements, continued to be made available by the authorities and these sales from official stocks provided the bulk of the supplies, although small parcels from production quarters appeared in the market from time to time. There was a strict measure of control and silver from the sources indicated was all reserved to meet the needs of essential war industries. For the London Silver Market the year was uneventful and the operations mentioned provided the only features.

"While the market in London was passing through a dull period, there were some interesting developments in India, chief of which, perhaps, was the acquisition of silver during the year by the Government of India. At the end of March it was reported from Teheran that about 16,000,000 ounces had been purchased through the National Bank of Iran, and later, on June 15, it was learned that the Secretary of the United States Treasury had announced that the U. S. Government had arranged to supply the Government of India with 100,000,000 ounces under a special lend-lease agreement. The silver was required to maintain an adequate supply of coinage for the large number of United Nations' forces in the country and for India's expanded war production, while a further object was to provide a means for keeping prices stable. The Government of India had agreed to return the silver to the United States Government after the war on an ounce for ounce basis.

"Although the range of prices in the Bombay Market during 1944 was not so wide as in 1943, a new wartime peak price was reached when, on April 24, 1944, Bear covering and speculative buying carried the quotation to Rs. 143 per 100 tolas; this compares with Rs. 113-12-0, the lowest touched during the year, to which the price had sagged on Nov. 3 following a period of poor demand. The sterling equivalents of these prices are, respectively, 63½d. and 50½d. per ounce standard—a range of 13d. per ounce standard as against the range of about 17⅜d. seen in 1943.

"On Aug. 7, the Reserve Bank of India asked for tenders for 200 bars of silver and it was learned on the following day that 200 bars would be offered daily (the quantity offered was increased to 300 bars daily on Nov. 10). This eased the market situation and soon dealers were reported to be settling their differences direct with each other, nearly all outstanding transactions ultimately being so adjusted. The market reopened on Aug. 24 and sales by the Reserve Bank were continued, being suspended when a fall in prices caused tenders to be made at rate too low to be acceptable and resumed when conditions were again favorable. According to the daily announcements, the number of bars sold by the Reserve Bank in the Bombay Market from Aug. 7 to the end of the year was about 16,100, or about 17,000,000 ounces.

"Details of operations by the United States Treasury during the whole of the year are not yet available, but it has been estimated that the amount of silver held at the end of November, 1944, was about 3,000,000,000 ounces. This compares with about 3,255,000,000 ounces held at the end of 1943 and thus, for the second year in succession since the passing of the Silver Purchase Act of 1934, holdings have shown a decline. The reduction of 255,000,000 ounces during the first 11 months of 1944 was brought about by the release of silver under three heads, by far the largest proportion having been disposed of under lend-lease agreements; such disposals accounted for no less than 203,000,000 ounces and, of the balance, 44,000,000 ounces were released under the Green Act (which provides that Treasury silver may be sold for consuming purposes), while coinage requirements absorbed the remaining 8,000,000 ounces.

"It has not been found practicable to form any estimate of total world production for 1944, but an indication can be given of output from the principal sources in the Western Hemisphere, namely Mexico, United States of America, Peru and Canada; their total production is estimated at about 127,000,000 ounces, of which Mexico contributed 63,000,000, United States of America 34,500,000, Peru, 15,000,000 and Canada 14,600,000 ounces. These figures, with one exception, show a marked decline as compared with 1943, during which year the same countries provided between them about 165,000,000 ounces; the country which appears to have maintained output in 1944 is Peru, but as regards the others, Mexico shows a decline of over 27%, United States of America of 23%, and Canada of 20%."

Cooper Reelected Head of Hospital Board

Charles P. Cooper has been reelected President of the Board of Managers of the Presbyterian Hospital, the institution has announced, according to a report in the New York "Sun" April 10. The statement continued that others reelected were William E. S. Griswold, William Hale Harkness, and Caril Tucker, Vice-President; Cornelius Agnew, Treasurer; William E. S. Griswold, Jr., Assistant Treasurer, and Matthew C. Fleming, Secretary.

Majority of Gold Recently Mined Unrecorded

The March number of the League of Nations Monthly Bulletin of Statistics, published by the League Mission at Princeton, N. J., states that in the past three years the gold reserves of the United States declined by some $2,000 million while recorded reserves in the rest of the world increased, between December 1941 and September 1944, by roughly $2,600 million. About one-half of that amount was added to Latin American reserves and practically the whole of the other half to those of four European neutrals, namely Switzerland, Sweden, Turkey and Spain, and the Union of South Africa. The net increase of approximately $700 million in recorded gold reserves only absorbed about one-fourth of estimated world gold production outside Soviet Russia in the same period. Thus, most of the gold produced during the last three war years has accrued to unrecorded reserves, the amount of new gold used in the arts during the war being negligible.

The bulletin further reported as follows:

The dollar value (U. S. dollars) of world gold production apart from the undisclosed output of Soviet Russia rose from 1,044 million in 1937 to 1,290 million in 1940. The total was nearly as large in 1941 but fell off subsequently to about 950 million in 1943. The decline continued in 1944, but appears to have been slowing down to judge from the incomplete data so far available.

All the main producing countries shared in the decline. Production in South Africa, accounting before the war for nearly one-third of world output including Russian production, dropped from $504 million in 1941 to 448 million in 1943. Canadian production fell from 187 to 128 million, that of the United States from 166 to 48 million, output in Australia from 52 to 26 and in the Gold Coast from 31 to 20 million U. S. dollars.

Gold Reserves

Between December, 1938, and December, 1941, total recorded gold reserves outside Soviet Russia rose by some 4,700 million from 25,200 to approximately 29,900 million U. S. dollars. United States reserves alone rose by $8,225 million while those of all other countries taken together (except U. S. S. R.) fell by $3,525 million, mainly on account of the disappearance of the British 1938 reserve of nearly $2,700 million from the books of the Bank of England. Most of the last mentioned amount presumably had accrued to United States reserves—prior to that country's formal entry into the war—as had also part of the central holdings of many other countries including most of the European neutrals. But a few countries other than the United States, in fact, added to their gold reserves during those early years of the war.

The main features of the subsequent redistribution of gold will be seen from the following table showing for selected countries the amounts of their recorded reserves at the dates mentioned above and the end of September, 1944, together with the percentage changes up to December, 1941, and between that date and September, 1944.

Recorded Central Gold Reserves in Millions of U. S. $

End of	Dec. 1938	Dec. 1941	Sep. 1944	% Change Dec. 1938-Dec. 1941	% Change Dec. 1941-Sep. 1944
Mexico	29	47	220	+ 62	+368
Brazil	32	70	297	+119	*+324
Latin America	706	722	2,000	+ 2	+177
Argentine	431	354	‡939	— 18	‡+165
Spain	§525	42	¶104	--	¶+149
Turkey	29	92	*221	+217	*+140
Venezuela	52	51	110	— 1	+116
Union of South Africa	220	367	**778	+ 67	§+112
Sweden	321	223	454	— 31	+104
Roumania	133	183	¶369	+ 38	¶+102
Switzerland	701	665	1,033	— 5	+ 55
Peru	20	21	32	+ 4	+ 52
Uruguay	68	100	148	+ 47	+ 48
†United Kingdom	2,690	1	1	--	--
†Belgium	728	734	734	+ 1	--
Germany	45	40	‡40	— 11	‡ --
†France	2,430	2,000	¶2,000	— 18	¶ --
†U. S. A.	14,512	22,737	20,825	+ 57	— 9
Netherlands	998	575	**500	— 42	§— 13
World (excluding U. S. S. R.)	25,200	29,900	30,600	+ 19	+ 2

*July 1944. ‡December 1943. §April 1938. ¶June 1944. **August 1944.
†Not including gold held in the Exchange Equalization and similar funds:

	Dec. 1938	Dec. 1941	June 1944
United States	80	25	21
Belgium	44	17	--
France	331	--	--
United Kingdom	††759	‡‡151	--

††September 1938. ‡‡September 1, 1941.

The largest absolute gains (in millions of U. S. dollars) in the latter period are reported by the Argentine (585), the Union of South Africa (411), Switzerland (368), Sweden (231), Brazil (227), Roumania (186), Mexico (173) and Turkey (129). These eight countries taken together added over $2,300 million to their central gold reserves, or some $400 more than the simultaneous decline in the United States holdings of monetary gold. Substantial relative gains ranging between approximately 50% and 150% were reported also by Spain, Venezuela, Peru and Uruguay. The reduction in the recorded gold reserves of the Netherlands from $575 million to $500 millions, on the other hand, represented a somewhat greater relative decline (—13%) than that reported for the United States (—9%).

Public Debt Position

The international summary table on public debt, one of the standing tables of the Monthly Bulletin, shows that floating debt now accounts for more than half the total internal debt in France, Germany and the Netherlands. In the United Kingdom the ratio of floating to total internal debt has risen from 19% at the end of 1939 to 29% by November, 1944, in the United States from 7% to 25% and in neutral Sweden from 10% to 24% between the same dates. In Belgium the ratio had risen from 11% to 43% by March, 1944.

The increase in total domestic public debt since the end of 1939 and during the last 12 months for which data are available in the case of each of the above countries was as follows: Germany, 622% and 38%; United States, 387% and 36%; Sweden, 274% and 10%; France, 270% and 31%; Belgium, 223% and 25%; Netherlands, 187% and 27%; United Kingdom, 167% and 16%.

Letters to Netherlands

The Treasury Department advised recently that on April 13, 1945, facilities were restored for the transmittal of closed-letter communications between the United States and various areas in the Netherlands; that, notwithstanding General Ruling No. 11, persons in the United States and Netherlands may exchange business, commercial and financial information through this service; and that transactional communications continue to be prohibited.

Schindler Nominated To Be Under Secretary Of Commerce

Alfred Schindler was nominated on April 11 by President Roosevelt to be Under Secretary of Commerce. Mr. Schindler is a St. Louis business man who has had extensive executive and sales experience. If his nomination is confirmed by the Senate it will be his second term of service in that department.

From January, 1942, to May, 1943, Mr. Schindler was administrative assistant to former Secretary of Commerce Jesse Jones.

As "Chief of the Consultant Division" of the DPC, a subsidiary of the RFC, Mr. Schindler directed the activities of a staff of the nation's leading business and industrial executives—men given the responsibility in the field of speeding to earliest possible completion all war plants and projects financed by the Defense Plant Corporation for the manufacture of equipment and material for our fighting forces.

After more than 2,000 such plants were completed and ready for production, Mr. Schindler was approached by civic leaders of St. Louis and urged to serve as Executive Director for the CED in his home community. He agreed to do this for a period of months before devoting himself to his private interests.

Mr. Schindler had earlier served on the First National Civilian Defense Committee appointed by the President and helped organize civilian defense in the Midwest States.

Following his nomination, Mr. Schindler stated:

"The President's nomination and Secretary Wallace's recommendation of me for the post of Under Secretary of Commerce is an honor I deeply appreciate.

"I shall give the members of the Department of Commerce, and all who come in contact with it, the fullest measure of cooperation.

"I shall do all within my power to assist business and industry in achieving its goal of post-war economic activity with maximum profitable production and maximum gainful employment for all American workers, including the millions of our veterans whom we all pray will soon be returned to their homes to enjoy the rights and freedoms which they have so gallantly defended.

"If the Senate sees fit to confirm the President's nomination, I am ready to devote my all to the task."

Results Of Treasury Bill Offering

The Secretary of the Treasury announced on April 6 that the tenders of $1,300,000,000 or thereabout of 91-day Treasury bills to be dated April 19 and to mature July 19, 1945, which were offered on April 13, were opened at the Federal Reserve Banks on April 16.

The details of this issue are as follows:

Total applied for $2,091,934,000.

Total accepted, $1,317,979,000 (includes $62,984,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price 99.905, equivalent rate of discount approximately 0.375% per annum.

Range of accepted competitive bids:

High, 99.910, equivalent rate of discount approximately 0.356% per annum.

Low, 99.905, equivalent rate of discount approximately 0.376% per annum.

(58% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on April 12 in the amount of $1,302,604,000.

Dulles in Advisory Post at 'Frisco Conference

John Foster Dulles, who was Governor Dewey's advisor on foreign affairs during the last Presidential campaign, announced on April 6 that he had accepted President Roosevelt's appointment as advisor to the American delegation to the United Nations' Conference at San Francisco on April 25. Mr. Dulles stated that he had preferred to be merely an observer as a private citizen, but he accepted the appointment "to consolidate the precedent bipartisan action to establish a world organization," pointing out that as Governor Dewey's representative he had conferred and cooperated with former Secretary of State, Cordell Hull. In a written statement regarding the forthcoming international gathering Mr. Dulles stated:

John F. Dulles

"The San Francisco conference is sure to succeed if it sticks to essentials. It will fail if it gets diverted.

"The purpose of the conference is not to settle controversial issues between the United Nations. Its purpose is to assure an environment of association which will make it easier hereafter to setttle controversional matters. The essence of the Dumbarton Oaks proposals is an assembly, where representatives of all of the member states will meet once a year for discussion, and a council, where representatives of the great powers and rotating smaller powers will be in continuous round-the-table association.

"The task of San Francisco is thus (1) to make a start of putputting the association onto a permanent basis; (2) to give that association an activating purpose to achieve peace through justice; (3) to make the initial arrangement sufficiently flexible that it can grow naturally."

In a radio forum broadcast over the Columbia Broadcasting System on April 6, in which Mr. Dulles appeared along with Senator Tom Connally, Democrat, of Texas and Chairman of the Senate Committee on Foreign Relations, it was brought out by Mr. Dulles that this voting formula agreed upon at Yalta was not a plan put up by Stalin and accepted by the United States as a compromise but was originally worked out in Washington by the State Department and taken over to Yalta by President Roosevelt and accepted by Mr. Stalin.

Mr. Dulles, it appears, participated in discussions at the State Department at the time the formula was worked out. Senator Connally agreed with Mr. Dulles that President Roosevelt suggested the formula.

Mr. Dulles, in his broadcast, warned that not too much should be expected to come out of the San Francisco conference. He regarded it as the beginning of a series of conferences which would convene from time to time throughout the years. What he expects is the establishment of principles and the setting up of machinery for peace.

Molotov Will Head Russian Delegation at Frisco

In Compliance With President Truman's Request, Russian Foreign Minister Will Attend San Francisco Conference. Other Delegates Named. Delegations of "Big Four" to Confer With Secretary Stettinius.

It was announced on April 14 that Premier Stalin, at the special request of President Truman, will send Viacheslav Molotov, Soviet Foreign Commissar, to head the Russian delegation to the San Francisco United Nations Conference on April 25. A statement issued by the White house said: "The President directed Ambassador Harriman, who has been conferring with Marshal Stalin on plans for the San Francisco conference, to assure the Marshal that the coming of Foreign Secretary Molotov to the conference at San Francisco would be welcomed as an expression of earnest cooperation in carrying forward plans for formulating the new international organization as laid down by President Roosevelt and confirmed by the Yalta conference.

"The President stated he would look forward with pleasure to a visit by Mr. Molotov to Washington.

"Today the President was advised by Marshal Stalin that Foreign Secretary Molotov would attend the San Francisco conference."

Additional announcements of delegates appointed to the conference have been announced by a number of nations. These include several women, in addition to Dean Virginia Gildersleeve, who is a member of the United States delegation. Great Britain has named Miss Ellen Wilkinson, parliamentary secretary to the Ministry of Home Securities, and Miss Florence Horsbrugh, parliamentary secretary of the Ministry of Health. China will have Dr. Wu Yi-Fang, a woman educator, who has received the degree of Ph.D. from the University of Michigan, and who is a member of China's "People's Political Council." The Canadian woman delegate is Mrs. Cora Casselman, a former school teacher and a Liberal Party member of the Canadian Parliament. The Dominican Republic will be represented by Miss Minerva Bernardino, who was a delegate to the recent Pan-American Conference at Mexico City.

The arrival in Washington of Mr. Anthony Eden to attend the funeral of President Roosevelt brings together delegates from each of the "Big Four" Nations. It is reported that these will soon hold a conference with Secretary of State Stettinius to draw up a plan for the method of procedure to be followed at the conference.

Although a Polish delegation, satisfactory to the "Big Three" has not yet been announced, it is reported from Washington that Premier Stanislaw Mikolaczyk of the London Polish Regime has announced his acceptance of the Yalta Conference Plan to settle the Polish dispute. According to the Associated Press Mr. Mikolaczyk said that he considered "close and lasting friendship with Russia a keystone of future Polish policy."

"To remove all doubts as to my attitude," he said, "I wish to declare that I accept the Crimea decision in regard to the future of Poland."

However, according to the United Press, the Moscow radio on April 17 reported that the Soviet Government had decided to insist on the admission of the so-called "Lublin" Provincial Polish Government to the San Francisco conference despite the objection of the American and British Governments to the proposal.

President Truman Decides Not To Attend United Nations Conference

President Truman, intensively preparing to take President Roosevelt's place in the Big Three is leaving American Responsibility for the San Francisco conference with this country's delegation it was said in Associated Press dispatches from Washington on April 14, which went on to say:

This turn of affairs developed on April 14 as the new President arranged to lead the nation in sorrowing funeral rites for its dead Commander in Chief.

Faced with the necessity of familiarizing himself with all the intricate details of Europe's tangled affairs, Mr. Truman has decided not to attend the United Nations' meeting. He will probably send a strong statement of approval to the delegates who tackle there the task of constructing a world peace-keeping league.

But it will be up to Secretary of State Stettinius and his seven delegation colleagues to make on-the-spot decisions on any differences that arise over the Dumbarton Oaks formula and the Big Three agreement proposing revisions.

Mr. Truman meanwhile set out on the task of acquiring the background information he must have at his command if he is to meet Premier Stalin and Prime Minister Churchill on even terms.

He began that educational process in a conference yesterday with James F. Byrnes, former war mobilizer, who attended the Yalta conference with President Roosevelt, and will continue with it with Byrnes, Stettinius and others.

The cascading advance of Allied forces across Germany may precipitate a demand for another meeting of the heads of the three nations much earlier than had been anticipated.

The feeling in official circles here is that when Gen. Eisenhower declares officially that organized resistance has ended, Premier Stalin and Prime Minister Churchill will want to meet with Mr. Truman almost immediately to settle problems involving the whole economic, if not political, future of Europe.

There will be an immediate request, it is said, to realign each nation's troops within the four agreed zones of occupation in Germany. French troops will occupy one of these areas and Gen. de Gaulle, provisional President of that nation, will want to be in on the conference.

There are indications that at this meeting the nations directly involved will want agreement on the preparations in kind which were projected at Yalta. This means that they want to know how many German plants and other installations in their occupied zone they can dismantle and ship home to replace their shattered factories.

The question of prisoner labor for reconstruction will also be up, as well as the disposition of foreign refugees who have migrated or been transported to the Allied countries during the war.

President Truman is reported to have told friends that he knows he must have an American answer on these and other important questions. And time is short.

In the midst of this imperative research, the new Chief Executive found time to issue through Stettinius yesterday a declaration that there will be no change of purpose or break of continuity in the foreign policy of the Government.

Views of President and Mackenzie King on International Post-War Economic Problems

Agreement on the part of President Roosevelt and Prime Minister Mackenzie King of Canada that international post-war economic problems must be solved along "bold and expansive lines" was reached during the recent visit to the White House of the Prime Minister. This was made known by the President on March 13, at which time he said that during Mr. King's visit they had considered "questions of general international interest" as well as relations between the two countries—relations "as firm and friendly as ever." According to Associated Press accounts from Washington on March 13, development of the St. Lawrence Waterway did not figure in his discussions, Mr. Roosevelt said, but he asserted that both had the same point of view—that the river is a great natural and national asset to both countries which sometime is going to be developed. The press advices also said:

"Solutions to post-war economic matters and trading policies, Mr. Roosevelt said, should center on removal of discriminations and the reduction of barriers to the exchange of goods among all countries."

A joint statement by Mr. Roosevelt and Mr. King was issued as follows at Washington on March 13 regarding their talks.

"During the Canadian Prime Minister's visit to Washington Mr. King and the President discussed questions of general international interest as well as those more specifically concerned with the relations between the two countries—relations which are as firm and friendly as ever.

"Among other things, a survey was made of questions arising out of the recent Crimea Conference and likely to arise at the forthcoming San Francisco Conference. They discussed in part the place which Canada will occupy in the new international organization.

"The President and the Prime Minister also had an opportunity of discussing questions of international and economic trading policy which both their countries will have to face as soon as hostilities end. They agreed that the solution of these questions should be sought along bold and expansive lines with a view to the removal of discriminations and reduction of barriers to the exchange of goods between all countries. They recognized a common interest in working toward these objectives.

"It was felt that the United States and Canada, with their long experience of friendly relations and their high degree of economic interdependence, should meet the new problems that peace will bring in the same spirit of cooperation with the other United Nations that has sustained their common war effort."

With his return to Ottawa on March 15 Prime Minister King made the statement that President Roosevelt is "looking well" and is optimistic about everything, including the San Francisco conference. We quote from special Ottawa advices from Ottawa to the New York "Times," which likewise reported Mr. King as saying:

"I think there is going to be very little difficulty in the different nations getting together on the Dumbarton Oaks draft," Mr. King said. However, if the new international organization is to succeed," he added, "it will be necessary to sweep away these barriers and discriminations which have made trouble in the past.

"There must be greater freedom of commercial and intellectual intercourse between nations," he said.

Views Postwar Easy Money Rates

(Continued from first page)

reserves of the banking system have been held at a level averaging around $1,000,000,000 dollars in excess of their legal requirements. Considering the banking system as a whole, these excess reserves could support an increase in loans approximating $6,000,000,000 to $7,000,000,0000, which is more than half as great as the total loans now held by all the weekly reporting member banks in 101 cities and approximating 25% of the total loans of the entire banking system. More important still is the fact that our monetary and banking authorities have it within their power to add tremendous amounts to the 'free' reserves of the banking system and that they are committed to an easy money policy. From the bankers' point of view there is less reason to be concerned about the availability of funds to meet probable loan demands than there is about the problem of finding suitable loan outlets to keep aivalable funds employed."

The speaker predicted that a huge potential buying power will be released when consumer goods are again produced, basing his opinion on the results of a survey of the Federal Reserve System made late in 1944. "Distribution of the war-time growth in liquid assets, by which is meant currency, demand and time deposits and U. S. Government securities," he said, "reflects both the character and incidence of war expenditures as well as other uses made of these funds by their recipients. There were no accurate figures as to the ownership of liquid assets, but rough estimates were derived from available data. These estimates indicate that at the end of 1944 individuals would hold $125,000,000,000 of liquid assets. During the last three years the expansion of such holdings amounted to $65,000,000,000, or 110%. These holdings are readily available for future use, and their use will have an important bearing on the course of production, employment and income."

Press for Extension Of 580 Effective Date

Expressing gratification over the granting of certain of their appeals with respect to various objectionable features in MPR-580, the National Retail Dry Goods Association has telegraphed Chester Bowles, OPA Administrator, about the effective date problem. The telegram reflects the gravity of the situation as voiced by the Association's thirty Directors. Over the signature of Lew Han, NRDGA General Manager, the telegram to Mr. Bowles was as follows:

"Retailers generally are pleased with announcement covering the granting of certain of their appeals relative to MPR-580 but are still seriously disturbed about the effective date problem. Thirty Directors of the National Retail Dry Goods Association in regular meeting here desire to express to you their deep concern over the failure of OPA to extend the filing date of the pricing charts required by the Regulation beyond the effective date set. The communications which have been pouring into our office on the impossibility of meeting the deadline on account of the volume of work and the shortage of manpower led us to suggest to you in our telegram of March 30, 1945, that OPA check with representative cross-section of individual retailers across the country to determine the time necessary to complete the job. We appeal to you again. We cannot too strongly stress the urgency of the need for relief."

V-E Day Will Greatly Increase Production of Civilian Goods

It is possible that war production may be cut 50%, instead of the 35% officially forecast, within a year following V-E day, is the prediction attributed to J. A. Krug by automobile manufacturers who conferred with him in Detroit last week, according to Associated Press report from Washington, April 10. This prediction might indicate a civilian goods output well above that of 1939 in dollar value, the report added, and it went on to say that the motor men, after a meeting of the Automotive Council for Production here, said Krug gave assurance that every "get-ready" step toward reconversion of the country's biggest industry would be set in motion immediately after V-E day.

"We'll be ready to cut loose within a matter of hours or days, not weeks; after V-E day," Krug was quoted as saying. "We hope we can do something on machine tools before then."

Content with these Government reassurances about reconversion, council members nevertheless made it clear that the industry is not completely happy over the indicated trend of post-war labor matters.

At a news conference held by the council yesterday, Vice-President B. E. Hutchinson of the Chrysler Corporation said that he stood "very close" to the National Association of Manufacturers in what he termed its opposition to the post-war labor-management "peace charter" signed last month by presidents of the C. I. O., A. F. of L. and the United States Chamber of Commerce.

The automobile industry, Hutchinson said, is "very sympathetic to the ostensible purposes" of the charter, but fears that it contains "the seeds of future discontent, instead of labor-management harmony."

Labor leaders already are proclaiming the charter as a management guaranty not to press for new labor laws, he said. The charter asserts labor's right to organize and bargain collectively, free from any legislation restricting those rights.

Hutchinson said he was curious to know why Eric Johnston, chamber president, put his signature to the charter without formally consulting or getting approval from his labor relations committee. That body, said the Chrysler executive, at the very time was drafting a five-point program of proposed labor legislation in collaboration with a similar committee from the N. A. M.

A chamber spokesman later said Otto Seyferth, labor relations committee chairman, was present and gave his indorsement when Johnston announced the charter. He added that the five-point program was sponsored by the N. A. M. and has gone no further than the committee, so far as the chamber is concerned.

Truman Signs Bill Extending Lend-Lease

President Truman on April 17 signed the bill extending lend-lease for another year, saying that the measure was a mighty instrument toward victory.

Advices from Washington to the Associated Press announced:

"Lend-lease," he said, "will be carried on until the unconditional surrender or complete defeat of Germany and Japan."

The signing was witnessed by Secretary of State Stettinius, Senator Connally (D., Tex.), Chairman of the Senate Foreign Relations Committee; Senator Vandenberg (R. Mich.), Representative Bloom (D. N. Y.), Chairman of the House Foreign Affairs Committee, and Representative Eaton (R. N. J.).

The bill, extending lend-lease aid to the United Nations an additional twelve months from June 30, was signed after the President had conferred briefly with delegates to the forthcoming United Nations Conference at San Francisco.

Secretary Stettinius and the congressional delegates remained over to watch Mr. Truman approve the lend-lease legislation. The occasion was historic for several reasons. Among others, it was the first time White House attaches could recall when a President had signed a bill which he previously had signed as Vice-President and presiding officer of the Senate.

It was the same measure on which Mr. Truman voted as Vice-President, after the Senate had rejected by a 39-39 tie vote an amendment by Senator Taft (R. Ohio) to place new restrictions on the post-war use of lend-lease materials. The Vice-President cast his vote with the opposition.

Lend-Lease Extended Without Changes

When Harry S. Truman was still Vice-President, on April 11, he broke a 39-39 tie in the Senate against the Taft amendment to the Lend-Lease act, which would have forbidden the President under lend-lease to send abroad supplies for post-war relief and rehabilitation. As it was however, the bill was sent to the White House for the President's signature unchanged. The bill was already passed by the House.

Associated Press advices from Washington, April 11, said: This measure prolongs the life of the Lend-Lease law until June 30, 1946, but provides that nothing in the act shall be construed as authorizing the President to enter into an agreement with any foreign government for post-war relief, rehabilitation or reconstruction.

Senator Taft and others have argued that plans for relief and reconstruction should be made entirely separate from Lend-Lease and under the close control of Congress.

He argued that a recent Lend-Lease contract with France obviously had been made for post-war purposes, and said he was not so much concerned with that particular instance as with the precedent it would establish.

Opposing Taft's amendment, Majority Leader Barkley declared that the language the Ohio Senator sought to delete only provided for the orderly liquidation of Lend-Lease. Senator George of Georgia, ranking Democrat on the Foreign Relations Committee, said some Senators might believe the President was going to misuse his powers under the act, but he added:

"I don't like to take that view. Adoption of the Taft amendment would destroy the liquidating provision in the original Lend-Lease Act."

Air Mail for Bermuda

Postmaster Albert Goldman announced on April 9 that information had been received from the Post Office Department that the restrictions under which air mail for Bermuda was limited to a weight of two ounces have been removed and therefore air mail articles for Bermuda will be accepted for mailing up to the normal weight limit of 4 pounds 6 ounces.

The State of Trade

(Continued from page 1747)

shell steel will be cut down, although the space will immediately be taken up by demand for other products.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 91.9% of capacity for the week beginning April 16, compared with 94.3% one week ago. This week's operating rate represents a decrease of 2.4 points from last week's rate, and is equivalent to 1,683,300 net tons of steel ingots and castings, compared to 1,728,200 net tons last week and 1,782,300 tons one year ago. Reflecting low inventories of bituminous coal, steel operations in the United States have slumped this week to the lowest level since the seven days ended Feb. 12, when a combination of cold weather, gas fuel shortage and transportation tieups curtailed output sharply.

Railroad Freight Loading—Carloadings of revenue freight for the week ended April 7, 1945, totaled 764,763 cars, the Association of American Railroads announced. This was a decrease of 70,463 cars, or 8.4% below the preceding week this year and a decrease of 23,222 cars, or 2.9% below the corresponding week of 1944. Compared with a similar period of 1943, a decrease of 24,256 cars, or 3.1%, is shown.

Electric Production—The Edison Electric Institute reports that the output of electricity decreased to approximately 4,321,794,000 kwh. in the week ended April 7, 1945, from 4,329,478,000 kwh. in the preceding week. Output for the week ended April 7, 1945, was 0.9% below that for the corresponding weekly period one year ago.

Consolidated Edison Ço. of New York reports System output of 164,900,000 kwh. in the week ended April 8, 1945, comparing with 198,500,000 kwh. for the corresponding week of 1944, or a decrease of 16.9%.

Local distribution of electricity amounted to 162,000,000 kwh. compared with 197,000,000 kwh. for the corresponding week of last year, a decrease of 17.8%.

Coal, Coke and Crude Oil Production — For weekly coal and coke production statistics and daily average crude oil production figure for the week ended April 7, 1945, see subsequent pages of this section.

Lumber Shipments — The National Lumber Manufacturers Association reports that lumber shipments of 478 reporting mills were 3.4% above production for the week ended April 7, 1945, while new orders for these mills were 3.0% less than production. Unfilled order files amounted to 114% of stocks.

For the year-to-date shipments of reporting identical mills exceeded production by 9.2% and orders ran 15.8% above output.

Compared to the average corresponding week of 1935-39, production of reporting mills was 16.7% greater, shipments 18.4% greater, and orders 8.6% greater.

Paper Production — Paper production for the week ended April 7 was 86.8% of capacity, as against 88.9% of capacity for the preceding week, and 86.2% in the corresponding week of last year, the American Paper and Pulp Association's index of mill activity disclosed. As for paperboard, production for the same period was reported at 92% of capacity, or a decline of 2 points from the previous week.

The sharp drop in both paper and paperboard production, it is indicated, reflected the shortage of wood pulp resulting from manpower shortages in the woods and the reduced pulp allocations for the second quarter recently prescribed by the WPB.

Silver—The London market for silver was unchanged at 25½d. The New York Official for foreign silver continued at 44¾c. and 70⅝c. for domestic silver.

Business Failures Remain Low—Commercial and industrial failures dropped in the week ended April 12 to half the number in the comparable week of last year. Dun & Bradstreet, Inc., reports 17 failures this week against 23 last week and 33 in the prior year.

The decline from the previous week occurred entirely in failures involving less than $5,000 in liabilities. On the other hand, large failures with liabilities of $5,000 or more remained at nine, the same as last week. There were 18 large failures in the corresponding week of 1944.

No failures were reported in wholesale trade or in commercial service. Manufacturing which accounted for approximately half the week's failures showed the same number of failures as in the previous week. Retaining failures on the other hand, fell off and amounted to about two-thirds those last year. In construction there was one more failure than a week ago but in this field concerns failing were less than a third the number of 1944's comparable week.

New England and the East North Central States were the only regions to report an increase in failures in the week just ended. Sharp downtrends appeared, however, in the Middle Atlantic States.

No failures were reported in Canada the past week, nor for the like week in 1944.

Wholesale Commodity Price Index—The daily price index of wholesale commodities, compiled by Dun & Bradstreet, Inc., moved slightly downward during the past week after registering 176.63 on April 3, a new wartime high. The index registered 176.47 on April 10, compared with 176.63 a week earlier, and 173.06 at this time a year ago.

Grain futures markets scored substantial advances last week. Rye was the leader, with futures rising the 5c. daily limit on three separate occasions during the period. Trading in rye was very active, sales totaling more than three times the volume for the previous week. Other grain futures rose in sympathy with rye. Cash grains on the other hand were irregular. Wheat showed independent firmness but corn displayed a tendency to weaken, while oats sold sharply below ceiling limits in anticipation of large importations from Canada in the near future.

Hog values held firm at ceilings. Receipts at Western markets were sharply below a year ago as early Spring marketings fell to the lowest on record for the season. This was reflected in the severe decline in lard production, where stocks are said to be at record lows for the season.

Cotton markets displayed outstanding firmness despite the very favorable developments in both the European and Pacific war theatres. Buying was aggressive throughout the period. Spot prices advanced about 15 points above the previous close. Futures registered the largest net gains for any week since mid-February with new-crop positions leading the rise and scoring new highs for the life of the contract. Influencing the upturn were expectations of a large post-war export demand, continued Government support for the staple, and delayed planting and crop preparations in the deep South.

Trading in the Boston wool market continued to be restricted by the scarcity of supplies of desired grades of wool, both foreign and domestic, suitable to the extensive Government procurement program. Also tending to hold down buying last week was the possibility of tariff reductions now being widely discussed. New clip domestic wools were reported reaching Boston a month earlier than last year. Appraisals of 1945 clip wools for the season to date totaled 4,876,868 pounds. Prices in South American markets were firmer, and considerable speculative activity was reported in Argentine in expectation of increases, in import quotas and improvement in shipping conditions.

Food Price Index Unchanged—Marketing the eighth week of stability, the Dun & Bradstreet wholesale food index for April 10 continued at $4.10. Never before since it was started in 1916, has the index remained unchanged for so long a period. The current figure represents a rise of 1.5% over the 1944 comparative of $4.04. Advances for the week included flour, rye, steers, and lambs. Declines occurred in oats and sheep.

The index represents the sum total of the price per pound of 31 foods in general use.

Retail and Wholesale Trade—Despite slight recessions in retail trade for the country as a whole the past week, sales volume held at a high level and was slightly over that of a year ago, Dun & Bradstreet, Inc., reports. Apparel buying tapered off to a degree, but the turnover has been good. Spring and summer merchandise too, enjoyed a good volume. Due to the low state of household furnishings and furniture inventories, sales have reflected no appreciable gains. Supplies of staple food products with the exception of meats, have been readily obtainable and sales in this department showed up well.

Women's wear was least affected by the lull in consumer buying. There was a tremendous demand for cotton summer dresses. A new interest has developed in summer sport clothes which was especially noted in southern areas; bathing suits and play clothes of all descriptions proved very popular. Blouses and wide brimmed millinery were also in good demand.

Men's wear sales were on the increase but summer weight suits and furnishings were in limited supply. In children's wear sales compared favorably with a week ago and last year, although the same factor of limited inventories also obtained.

Garden merchandise continued to sell well with articles for home reconditioning, such as paints and wallpaper, reflecting a fair demand. Inventories of home furnishings, dry goods, and textile specialties were rather scant, but interest ran high for all varieties of floor covering, chiefly for fiber and grass types. As for piece goods, demand for cottons was especially good and remained at a very high level.

A heavy demand existed in food departments but scarcities of some commodities hampered volume. Supplies of staple food items were in the main equal to demand but meats, poultry, and some fresh vegetables and fruits were not readily obtainable.

Retail volume for the country was estimated 2 to 6% above a year ago. Regional percentage increases were: New England, 3 to 8%; East, 7 to 10%; Northwest, 6 to 9%; South, 8 to 12%; Pacific Coast, even. Other regions decreased as follows: Middle West, 2 to 5%; Southwest 0 to 4%.

The pace in wholesale markets the past week was somewhat faster with reorders of spring and summer goods as well as institutional merchandise making up the principal requests. In most lines replacements continue very difficult to obtain. Wholesale volume compared favorably with that of a week ago and was estimated from 2 to 5% ahead of last year in many lines. Sales of most food products and including other items such as paper, leather, tobacco, jewelry and lumber were under both previous periods and a year ago.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, were 13% behind that of a year ago for the week ended April 7, 1945. This compared with a rise of 8% in the preceding week. For the four weeks ended April 7, 1945, sales increased by 10%, and for the year to date by 15%.

Retail trade here in New York the past week reflected a consumer demand far beyond the capacity of merchants to replenish stocks. The closing of department stores and other retail establishments, occasioned by the death of President Roosevelt will affect sales comparisons for the week and for the previous year in some degree. There was little change in food sales for the week over that of one week ago. As for the shoe industry, members are showing some concern over diminishing leather supplies and are awaiting WPB action on allocation of cottons and rayons for non-rationed models.

Buyers arriving in the wholesale markets the past week reached a record number for this time of the year, and were attempting to rebuild depleted seasonal stocks and gauge prospects of securing fall merchandise.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to April 7, 1945, decreased by 2% under the same period of last year. This compared with an increase of 5% in the preceding week. For the four weeks ended April 7, 1945, sales rose by 14% and for the year to date by 15%.

War Fronts & Home Front Essential Parts of War Ayres Says, Commenting on Reconversion Halt

The observation that "perhaps our armed services are more dictatorial than prudent in their allocations of manpower and materials as between the war fronts and the home front" is made by Brig. Gen. Leonard P. Ayres, who points out that "both are essential parts of our national war effort." This comment is made by Gen. Ayres, Vice-President of the Cleveland Trust Co., of Cleveland, Ohio, in the Company's "Business Bulletin' dated March 15, in which he states that "it is a curious anomaly that while we are watching one of our wars draw toward its end we are acting as though we were convinced that both of them were going to continue indefinitely." Continuing he notes that "munitions orders have been stepped up until some industries they appear to exceed our powers of production. Draft boards are being called upon to find greater numbers of men for induction into the armed forces. Previously deferred men up to the age of 34 are being called up for reexamination. National service legislation is being debated in the Congress." Gen. Ayres goes on to say: "Meanwhile production of goods for civilian use is being further restricted, and even in cases where materials are on hand and not needed for munitions the fabrication of them for civilian products is being sharply restricted. Nearly all preparations for reconversion have been suspended, and postwar planning is in abeyance. All these developments have economic as well as social significance. Industrial pay is at its peak and city people have more money to spend than ever before. There are fewer goods available for them to buy, and they are being told that stocks will be still smaller later on, so they are increasing their purchases. Stocks of goods in stores are declining, and prices are rising.

"Stock prices have been making new highs in recent weeks, and doing it on large volumes of transactions. These advances do not appear to be discounting the approaching end of the war in Europe, which probably would be bearish rather than bullish. It seems more likely that the market is responding to the increased orders being placed by the armed services. Possibly the market movements may have been influenced by a recent comment of the Secretary of War which appeared to indicate that present plans contemplate sending to the Orient for the Japanese War substantially all the troops now in Europe.

"Meanwhile the demands on our railroads have become so great that for the first time since 1923 there is an actual net shortage of freight cars. Nevertheless the authorities in Washington have sharply cut steel tonnages to be made available to the roads for rails, track materials, and rolling stock."

Truman Sworn in as President of U. S.

(Continued from first page)

from the White House of President Roosevelt's death. This was at about 5:15 P. M., a half hour before the news was made public.

Arriving at the White House, the Vice-President was taken to Mrs. Roosevelt. The President, she told him, had passed away.

"What can I do?" Mr. Truman asked.

"Tell us what we can do," Mrs. Roosevelt said. "Is there any way we can help you?"

The New York "Times" further asserted that:

The United Nations Security Conference will open in San Francisco on April 25, despite the death of President Roosevelt, Secretary of State Edward R. Stettinius, Jr. announced.

Mr. Stettinius said that he had been authorized by President Harry Truman to make this announcement after a meeting of the Cabinet at the White House.

Most of the overseas delegations to the San Francisco conference have either arrived in this country or are now on their way, but while this was said to have been a factor in the decision to proceed with the conference, State Department officials urged that every attempt be made to give immediate evidence to the world that President Roosevelt's foreign policy would be sustained by the new Administration.

The sudden elevation of President Truman to the White House in the midst of preparations for the drafting of an international security charter and in the closing stages of what is generally regarded here as the decisive battle of the European war led to immediate speculation as to what changes, if any, the new President would make in the foreign policy of the nation and in the personnel that is now charged with drafting, defining and executing that policy.

There was general agreement here that President Truman would carry on the Roosevelt foreign policy. He has not defined his views on this in detail and has frankly admitted in conversation with friends that he has concentrated more on domestic than on international affairs, but he has made clear in recent speeches that he supported a role of leadership for the United States in world affairs.

Mr. Roosevelt was to speak as host on April 25 at the opening of the security conference, and President Truman has indicated that he is leaving American responsibility for the San Francisco conferences with this country's delegation.

Keynes-Morgenthau or Bretton Woods Scheme

(Continued from first page)

plish any of them. It might cause spurts of false prosperity. In my judgment it would, in the long run, destroy more jobs than it would create, abolish what real international cooperation is still left, and endanger world peace rather than sustain it. Indeed I look upon this proposal as an immeasurable peril to our nation and people.

Why call it the Keynes-Morgenthau scheme? Because Lord John Maynard Keynes, an English nobleman, contrived it and Mr. Morgenthau, Secretary of the United States Treasury, has assumed responsibility for selling it to the American people and inducing Congress to adopt it. Just as Mr. Morgenthau copied his proposals for an international monetary plan from Lord Keynes' International Clearing Union scheme so practically all of the main provisions in the Bretton Woods Proposal for an International Monetary Fund were derived from the same source.

Would Lose Control Over Our Own Money

This scheme proposes that the United State be shorn of her power over her money and that this power be handed over to foreign countries. Actually, this power would be taken from Congress and given to the President of the United States and 43 foreign countries. The President would have only 28% of the voting power, and much less than this after other nations not now included became members of the scheme. This means that the President would be outvoted by about three to one and that foreign countries would be in control of our money.

Control of its money is the life blood of a nation. In fact, a nation cannot exist without this control.

The founding fathers, in writing the Constitution, vested all power over our money in the Congress. This has never been disputed. The courts have on numerous occasions upheld the right of Congress to control our money. How does Mr. Morgenthau justify this suicidal proposal? Here, in substance, is his answer: If at any time in the future the United States wishes to regain her power over her money she may do so by first withdrawing from the international monetary scheme.

That, of course, answers nothing. It is the grossest subterfuge, because he and all of the other proponents of the scheme avow that it is to be permanent.

First, they tell us that the world will go to pot unless the United States permanently adopts this international monetary scheme, which implies the permanent surrender to foreign powers of the control of our money. Then to justify the destruction of our independence as a nation they tell us the Constitution would not be violated because we could regain control over our money by withdrawing from the scheme.

The essence of their proposition is something like this: It is necessary for the United States to permanently surrender to foreign countries her power over her money in order to whip up export trade, provide jobs for our people and to form one of the main pillars of the peace structure, but if at any time in the future the United States should take a notion to regain her power over her money and again become an independent nation she could do so by destroying our export trade, throwing millions of people out of work, pulling the foundation out from under the peace structure and starting World War Three. That is precisely the mess the proponents of this scheme get themselves into when they are driven to explain their true position.

Russia and Britain Would Gain

Russia could not give up any part of the power she exercises over her money because of her communistic system. Lord Keynes, the man who devised the scheme, and other prominent Englishmen, have asserted that Great Britain intends to retain control of her money and that she will join the scheme only on that condition. Great Britain and Russia would exercise control over our money, but we would have no control of theirs.

To lose control of our money to foreign countries would be to lose our nationhood to them.

The scheme proposes that the United States furnish, to start with, billions of dollars to be loaned to about 40 countries without any interest to her, or any time limit. The borrowing countries being in control they would dictate to the United States the terms upon which the loans to them would be made. Did you ever hear of anything like this before?

The dollars loaned to foreign countries would be used by them to buy American goods. The process would be essentially one of giving our goods away.

The scheme involves the adoption by the United States of a policy of pledging her resources to support nearly all the rest of the earth's population. It would confer upon them the right to share in the fruits of American labor and enterprise. This would have the effect of lowering our standard of living to that of the rest of the world.

Calls for Periodic Inflation

The scheme contains a provision for periodic world inflation. This would have the effect of repudiating international debts and domestic government debts as well. Mr. Henry Hazlett, editor of the New York "Times," and a keen student of this scheme, has pointed out that this provision would cause the following:

> "Commodity prices would rise. Everybody's cost of living would go up. Those who lived on pensions, either private or part of governmental social security systems, would find them buying less than before. The holders of government securities would find the real value of their securities greatly cut. All those with fixed incomes would find themselves subjected to an invisible but real and ungraduated income tax. All those with savings accounts and insurance policies would find them cut by an invisible but real and uniform capital levy. In short, private citizens, as before, would be cheated by their governments."

But the proponents of this provision will tell you that it can't be put into operation until Congress passes another law saying it shall. But why should Congress pass a law which recognizes the need for repudiation of international and national debts, and the destruction of the purchasing power of the dollar?

As stated, the United States would put billions of dollars into the scheme to start with. Everybody agrees that the borrowing countries would consume the dollars at a rapid rate. The time would come when dollars would become scarce. The scheme would then ration dollars out to the countries wanting them. That means that exports would be rationed, industry and employment dependent upon export trade would collapse and depression would intervene.

It is provided that if dollars should become scarce the operators of the scheme could petition Congress to pour more dollars into it. How possibly could Congress refuse such a request? Manufacturers, farmers, wage earners, and who not, would be on every Congressman's neck to vote more funds to keep the scheme going. You can readily see how pouring dollars into it and giving our goods away could become an endless process, or could continue until the United States would be bled white.

May Limit Our Trade

Or the operators of the scheme could say to the United States—"We are not going to borrow any more dollars from you. Instead you must lower or abolish your tariffs and open up your markets to us. In that way we will get all of the dollars we need to buy American goods." That would mean sudden dumping of cheaply made foreign goods into our domestic market, throwing many of our people out of work, reducing the income of our wage earners, farmers and others and forcing them on to a lower standard of living. One of the main objects of the scheme is to compel American workers to compete with poorly paid foreign labor.

Lord Keynes made a speech in the House of Lords in which he boasted of this provision, and even spoke about it containing a sanction, that is a penalty, which could be used to force the United States to her knees. He ought to know what he is talking about because he wrote this provision.

World Communism

The Keynes-Morgenthau scheme is a scheme to set up world communism. Avowed Communists were quick to see this and to rally to its support.

Soon our soldiers will be returning from the far flung battle fields of the world to their homeland, leaving behind them hundreds of thousands of their comrades who made the supreme sacrifice. Millions of them returning will be casualties for the rest of their lives. Upon their return they will find their share of the public debt burden to be 120 billion dollars or more. In the face of that load their G. I. Bill of Rights will be as nothing.

All of us, of course, want to give as much help as possible to the war torn peoples of the world, but in view of all the sacrifices that we have made for our Allies the time has come when we must begin to look after our own.

But over and above this we must stop the Keynes-Morgenthau, alias Bretton Woods, scheme from being passed by the Congress. If we fail in this 12 million soldiers will return to their homes to discover that the nation they fought and bled for has been handed over to foreign yowers and made a vassel state. Let not such everlasting shame come upon this nation.

After long and careful study of this scheme I am convinced that it presents a most perilous threat to American independence and plead with you to do all within your power to prevent its consummation.

W. T. Margetts Resigns

The resignation of Walter T. Margetts of Passaic, N. J., as NWLB alternate member for industry, has been accepted by President Roosevelt, according to an Associated Press report from Washington April 10, which stated further that Margetts had been named by Governor Edge Chairman of the New Jersey Mediation Board and would be sworn in on April 11.

Death of Franklin D. Roosevelt

(Continued from first page)

be organized on April 25 at San Francisco.

From throughout the world condolences are coming in to the White House and the American people on the death of their leader.

President Roosevelt Buried at Hyde Park

Franklin Delano Roosevelt, the twelve-year President of the United States, was buried in the hedgd-enclosed garden of his Hyde Park estate on Sunday, April 15, in the presence of his family, near relatives, old-time friends, neighbors, President Harry S. Truman and many high-ranking officials of this country and representatives of many other nations.

Under a canopy of blue sky and bright sun, formations of flying planes overhead and a guard of honor including soldiers, sailors and marines, the burial service began at 10:34 A. M. In this beautiful natural setting the floral tributes of white lilies, red roses and shades of many other flowers, were massed in the form of an altar in the front of the grave.

To the low refrain of "Nearer My God to Thee" the Reverend George W. Anthony, the sevty-eight-year-old Rector of St. James Episcopal Church of Hyde Park, slowly led the way to the grave side and then pronounced the following prayer:

> "Unto Almighty God we commend the soul of our brother departed, and we commit this body to the ground; earth to earth, ashes to ashes and dust to dust, in sure and certain hope of the Resurrection unto eternal life; through our Lord Jesus Christ, at Whose coming in glorious majesty to judge the world, the earth and sea shall give up their dead and the corruptible bodies of those who sleep in Him shall be changed and made like His glorious body, according to the Almighty whereby He is able to subdue all things to Himself."

The venerable Rector then followed this prayer with the Lord's Prayer and with right hand uplifted in benediction, the impressively recited hyman 411 of the Episcopal Hymnal written by John A. Ellerton in 1870.

Mr. Roosevelt's body was then slowly lowered into the grave as the Rector intoned: "Now the laborer's task is over. Now the battle day is past" and finished with the lines "Father in Thy gracious keeping: leave we now our brother sleeping."

A volley fired by the West Point cadets was followed by the sounding of Taps—and—the Commander-in-Chief of our Armed Forces was laid to his last earthly resting place.

Preceding the journey to his ancestral home at Hyde Park, the body of the thirty-first President of the United States had been brought from Warm Springs, Ga., to the East Room of the White House in Washington, where on Saturday, April 14, impressive services, marked by extreme simplicity, were conducted by the Rt. Rev. Angus Dun, Bishop of the Episcopal Diocese of Washington.

Mrs. Ann Eleanor Roosevelt and members of her family, President Harry S. Truman, members of Congress, his Cabinet and the Supreme Court Justices, representatives of most of the United Nations, including Anthony Eden, British Foreign Secretary and many distinguished American and foreign personages listened to a funeral service which lasted only twenty-five minutes. After two of the late War-Time Presidents' Hymns were sung and the reading of the Psalms and lessons from the Scriptures were concluded, a reference was made by Bishop Dun to the words of President Roosevelt when entering on his first inaugural viz: "the only thing we have to fear is fear itself," should lead the American people to go forward "without fear of the future, without fear of our own Allies or friends and without fear of own insufficience."

That morning President Roosevelt's coffin was borne on a flag-draped caisson drawn by six white horses through the streets of the Capitol after the arrival of the funeral train from Warm Springs.

Silent crowds of men, women and children, estimated at 500,000, paid their last respects as the funeral cortege moved at a slow pace up Pennsylvania Ave. to the White House.

President Truman on Friday, April 13, issued a proclamation marking Saturday, April 14, a national day of mourning. The following is the proclamation:

To the people of the United States:

It has pleased God in his infinite wisdom to take from us the immortal spirit of Franklin Delano Roosevelt, the thirty-first President of the United States.

The leader of his people in a great war, he lived to see the assurance of the victory but not to share it. He lived to see the first foundations of the free and peaceful world to which his life was dedicated, but not to enter on that world himself.

His fellow countrymen will sorely miss his fortitude and faith and courage in the time to come.

The peoples of the earth who love the ways of freedom and hope will mourn for him.

But though his voice is silent, his courage is not spent, his faith is not extinguished. The courage of great men outlives them to become the courage of their people and the peoples of the world. It lives beyond them and upholds their purposes and brings their hopes to task.

Now, therefore, I, Harry S. Truman, President of the United States of America, do appoint Saturday next, April 14, the day of the funeral service for the dead President, as a day of mourning and prayer throughout the United States. I earnestly recommend the people to assemble on that day in their respective places of divine worship, there to bow down in submission to the will of Almighty God, and to pay out of full hearts their homage of love and reverence to the memory of the great and good man whose death they mourn.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington, the 13th day of April, in the year of our Lord one thousand nine hundred and forty-five, and of the independence of the United States the one hundred and sixty-ninth.

HARRY S. TRUMAN.

By the President,

EDWARD R. STETTINIUS, Jr.,
Secretary of State.

The Associated Press dispatches from Washington on the same day said:

Shortly after the new Chief Executive issued his proclamation asking that the country observe the day of Mr. Roosevelt's funeral services at the White House by visiting the churches in their respective communities, War Production Board Chief J. A. Krug issued a call to all war plants to work full schedules today and tomorrow (Saturday). This, said Mr. Krug, was "pursuant to wishes expressed this morning by President Truman."

"American workers and management can pay their tribute to Franklin Roosevelt in no better way than by staying on the job to maintain an unbroken production of war goods," Krug said in telegrams sent to all WPB field offices.

Profits and Operations of Listed Corporations Surveyed By SEC

The Securities and Exchange Commission on March 15 made public another in the series of statistical reports of the Survey of American Listed Corporations. This survey of "Data on Profits and Operations, 1942-1943" supplements a previous report which covered the years 1936-1942, inclusive. It is presented in five parts, of which Part IV was released on March 15. The report shows the effects, whenever reported by registrants, of renegotiation, "carry-backs" of taxes and termination of contracts, on the financial statements of each of the 1,530 companies included in the survey. Part III of the survey was referred to in our issue of Feb. 8 last, page 653. The announcement of the SEC says:

"The survey covers 118 industry groups having total assets of approximately $62,000,000,000 in 1943. Parts I-II-III and IV contain data on 1,120 companies in 76 Manufacturing Industry Groups and Part V will contain data on 413 companies in 42 Non-Manufacturing Industry Groups. In all cases full figures are stated in this release, but having been rounded to the nearest thousands of dollars will not necessarily add to totals.

"Combined totals for 1942 show 1,090 registrants reporting Net Sales of $55,287,089,000 which compared with 1,082 registrants reporting Net Sales of $70,630,752,000 in 1943. Operating Profits for these companies amounted to $7,358,380,000 or 13.3% of sales in 1942 against $9,216,951,000 or 13.0% of sales in 1943. Provisions for War and Related Contingencies Provided out of Income amounted to $439,946,000 or .8% of sales in 1942 compared with $554,834,000 or .8% of sales in 1943. Net Profit before Income Taxes for these registrants was $7,048,585,000 or 12.7% of sales in 1942 and rose to $8,512,695,000 or 12.1% of sales in 1943. Net Profit after Income Taxes* in 1942 amounted to $2,630,439,000 or 4.8% of sales and increased to $2,798,130,000 or 4.0% of sales in 1943. Net Profit before Income Taxes as a Percent of Net Worth was 25.7% in 1942 and 30.0% in 1943, while Net Profit after Income Taxes as a Percent of Net Worth increased from 9.6% in 1942 to 9.9% in 1943. Net Profit figures are after the deduction of Provisions for War and Related Contingencies Provided out of Income.

Renegotiation

"Almost all of the registrants covered in the report have completed renegotiation of their contracts with the U. S. Government for 1942. For 1943 only a part of the companies have completed renegotiation. Based upon their experience of renegotiating 1942 contracts, many companies in 1943 made voluntary refunds on their sales contract prices prior to the completion of their Government contracts, and a number of others made provisions for anticipated refunds arising from renegotiation, of which some were combined with their provision for income taxes. The tables included in Part IV summarize briefly the effects of renegotiation of war contracts as reported by the 1,090 companies in 1942 and 1,082 companies in 1943 included in Parts I-II-III and IV of this survey. The various procedures used by registrants in reporting renegotiation are summarized briefly as follows:

"(a) **Where the complete effects of renegotiation have been reported.** In **1942**, 611 registrants reported Net Sales before voluntary price deductions of $33,926,243,000 from their U. S. sales contract prices. Voluntary deductions from these sales amounted to $226,362,000. After these deductions Net Sales as reported by registrants amounted to $33,699,881,000. Gross refunds of $577,506,000 as a result of renegotiation left Net Sales after renegotiation in the amount of $33,122,375,000. Operating Profit for these companies before renegotiation amounted to $5,328,037,000 which, after the gross refunds of $575,428,000 as a result of renegotiation amounted to $4,752,609,000. Gross refunds of $69,134,000 from Provisions for War and Related Contingencies Provided out of Income reduced these provisions from $318,642,000 to $249,508,000. Net Profit before Income Taxes before renegotiation amounted to $4,678,362,000, which after gross refunds of $507,074,000, as a result of renegotiation, amounted to $4,171,288,000. Net Profit after Income Taxes before renegotiation amounted to $1,639,366,000. After the deduction of net refunds of $66,334,000, as a result of renegotiation, Net Profit after Income Taxes after renegotiation was $1,573,032,000.

"Seventy companies in **1943** reported Net Sales before voluntary price deductions of $2,842,658,000. Voluntary deductions from these sales amounted to $34,662,000. After these deductions, Net Sales as reported by registrants amounted to $2,807,996,000. Gross refunds of $31,580,000 as a result of renegotiation left Net Sales after renegotiation in the amount of $2,776,416,000. Operating Profit for these companies before renegotiation amounted to $382,355,000 which, after the gross refunds of $31,510,000 as a result of renegotiation amounted to $350,845,000. Gross refunds of $2,410,000 from Provision for War and Related Contingencies Provided out of Income reduced these provisions from $22,030,000 to $19,620,000. Net Profit before Income Taxes before renegotiation amounted to $369,014,000, which after gross refunds of $29,103,000, as a result of renegotiation amounted to $339,911,000. Net Profit after Income Taxes before renegotiation amounted to $123,117,000. After the deduction of net refunds of $4,534,000, as a result of renegotiation, Net Profit after Income Taxes after renegotiation was $118,583,000.

"The registrants' data reported above show the complete effects of renegotiation on their financial statements. Voluntary deductions shown are those amounts reported by registrants as deductions from their sales contract prices prior to the completion of their U. S. Government contracts. After deduction of this amount, 'Net Sales' are shown as reported by registrants. From 'Net Sales,' 'Operating Profit' and 'Net Profit before Income Taxes' are deducted the gross refunds resulting from renegotiation (before the deduction of applicable taxes and the additional charge caused by the reductions in post-war credits on excess profits taxes) to arrive at the net amounts for these items after renegotiation. From 'Net Profit after Income Taxes' are deducted net regotiation refunds, which are the gross refunds less the deduction of applicable taxes and the additional charge caused by the reductions in post-war credits on excess profits taxes. However, not all net refunds are deducted by registrants from 'Net Profit after Income Taxes.' Some net refunds or portions thereof are charged against Provisions for War and Related Contingencies previously set up so that the net amount refunded to the U. S. Government after renegotiation is represented by the total of charges against Provisions for War and Related Contingencies and charges against Net Profit after Income Taxes. Some small amounts also, in a few cases, are charged by registrants to 'Costs,' 'Selling, General and Administrative Expenses' and 'Minority Interests' and these amounts are shown in the tables which form part of the report.

"Included in the data shown above are 241 companies in 1942 and 36 companies in 1943 for which no refunds were required after renegotiation. The report summarizes the important data for these companies in a separate table following the 'Summary of Renegotiation Where Complete Data were Reported.'

"In addition to companies which reported complete renegotiation data as shown on the preceding page, there were a number of other registrants which submitted only partial data. These companies reported as follows:

"(b) **Where only the net amount of renegotiation has been reported and the effects of renegotiation have not been reflected by the registrant in its financial statements.** In **1942**, sixty-seven companies with Net Sales of $5,129,394,000 and a Net Profit after Income Taxes of $173,151,000 made net refunds after renegotiation of $15,817,000. In **1943**, ten companies with Net Sale sof $210,789,000 and a Net Profit after Income Taxes of $11,339,000 made net refunds after renegotiation of $1,353,000.

"(c) **Where stated voluntary refunds or a provision for renegotiation has been deducted from sales prices of contracts (the amount of the net renegotiation refund has not been reported) and the effects of renegotiation are reflected by the registrant in its financial statements.** In **1942**, forty-eight companies with Net Sales of $5,576,736,000 and a Net Profit after Income Taxes of $315,398,000 made voluntary refunds on sales prices of their U. S. Government contracts or provisions for renegotiation amounting to $383,345,000. In **1943**, one hundred companies with Net Sales of $11,990,184,000 and Net Profit after Income Taxes of $401,023,000 made voluntary refunds on sales prices of their U. S. Government contracts or provisions for renegotiation amounting to $748,015,000.

"(d) **Where an unstated amount of voluntary refunds has been deducted from sales prices of contracts (the amount of the net renegotiation refund has not been reported) and the effects of renegotiation are reflected by the registrant in its financial statements.** In **1942**, thirty companies with Net Sales of $5,622,413,000 and Net Profit after Income Taxes of $238,388,000 made voluntary refunds (amounts not stated) on sales prices of U. S. Government contracts and in **1943**, seventy companies with net Sales of $6,793,837,000 and Net Profit after Income Taxes of $194,491,000 made voluntary refunds (amounts not stated) on sales prices of U. S. Government contracts.

"(e) **Where a provision for renegotiation (amount not stated) has been combined with the provision for income taxes and only the Net Profit after Income Taxes reflects the effect of such unstated amount of renegotiation provision.** In **1942**, one company with Net Sales of $26,555,000 and Net Profit after Income Taxes of $859,000 combined a provision for renegotiation refund with their provision for income taxes and in **1943**, forty-six companies with Net Sales of $4,714,599,000 and Net Profit after Income Taxes of $214,600,000 combined a provision for renegotiation refund with their provision for income taxes.

"(f) **Where it has been reported that the net effect of renegotiation is reflected in the registrant's financial statements but the amounts of the gross and net renegotiation refunds have not been disclosed.** In **1942**, twenty companies with Net Sales of $1,841,141,000 and Net Profit after Income Taxes of $64,389,000 reported that the effects of renegotiation were reflected in their financial statements but did not state the amounts refunded. In **1943**, one hundred and thirteen companies with Net Sales of $7,803,416,000 and Net Profit after Income Taxes of $330,447,000 reported that the effects of renegotiation were reflected in their financial statements but did not state the amounts refunded.

"(g) **Where it has been reported that the registrant's sales contracts are subject to renegotiation, but no provision therefor has been made.** Most of these companies state that no refunds are expected to be made, or that if made the effects on their financial statements would not be material. In **1942**, all registrants who have made no further statement other than that their 1942 sales contracts are subject to renegotiation, but no provision therefor has been made, may be regarded at the time of the compilation of this survey as having no renegotiation liability. In **1943**, four hundred and twenty-five companies with Net Sales of $33,208,333,000 and Net Profit after Income Taxes of $1,323,369,000 have stated their sales contracts are subject to renegotiation, but have made no provision therefor.

"And finally, where it has been reported that the registrant's contracts are not subject to renegotiation or where no statement has been made about the contracts with the U. S. Government being subject to renegotiation, three hundred and thirteen companies in **1942** with Net Sales of $3,968,475,000 and Net Profit after Income Taxes of $265,222,000 either stated their contracts were not subject to renegotiation or made no statement about the contracts with U. S. Government being subject to renegotiation. In **1943**, two hundred and forty-eight companies with Net Sales of $3,133,178,000 and Net Profit after Income Taxes of $204,278,000 either stated their contracts were not subject to renegotiation or made no statement about the contracts with the U. S. Government being subject to renegotiation.

"In 1942 Pursuant to the 'carry-back' provisions of the Federal Income Tax Law, six registrants (in 4 industry groups) with combined net sales of $32,447,000 set up claims for credits for refund of income and excess profits taxes. The combined effects of these groups were reflected in the registrants' financial statements as follows:

Provision for current income and excess profits taxes	$1,301,000
Credits for "carry-back" refund	294,000
Balance	$1,009,000

" 'Carry-back' credits of $294,000 had the effect of reducing the aggregate gross provision for income taxes for all 76 Manufacturing groups from $4,418,440,000 to $4,418,146,000.

"In addition, 2 registrants (in two industry groups) with combined Net Sales of $37,981,000 filed 'carry-back' claims amounting to approximately $2,230,000 which were not reflected in their financial statements.

"In 1943 Pursuant to the 'carry-back' provisions of the Federal Income Tax Law, 25 registrants (in 20 industry groups) with combined Net Sales of $879,915,000 set up claims for credits for refund of income and excess profits taxes. The combined effects of these groups were reflected in the registrants' financial statements as follows:

Provision for current income and excess profits taxes	$35,106,000
Credit for "carry-back" refund	9,546,000
Balance	$25,561,000

" 'Carry-back' credits of $9,546,000 had the effect of reducing the aggregate gross provision for income taxes for all 76 Manufacturing groups from $5,724,111,000 to $5,714,565.000.

"In addition, 7 registrants (in 7 industry groups) with combined Net Sales of $158,346,000 filed 'carry-back' claims amounting to approximately $402,000 which were not reflected in their financial statements.

"Where registrants have reported claims made for termination of contracts with the U. S. Government, the amounts are shown on each individual table.

"In **1942**, one registrant with Net Sales of $6,052,000 reported a termination claim against the U. S. Government amounting to $311,000.

"In **1943**, twenty-six registrants (in 14 industry groups) with combined Net Sales of $2,590,752,000 reported termination claims against the U. S. Government aggregating $16,734,000, while 7 registrants (in 6 industry groups) with combined Net Sales of $555,594,000 reported termination income received which aggregated $14,498,000.

"In addition, 2 registrants with combined Net Sales of $284,325,000 reported unsegregated termination claims against the U. S. Government.

"Of the 19 industry groups in Part IV, 'Oil Refining' reported the largest Net Sales in 1943. The 37 companies in this group reported Net Sales in 1942 of $5,333,331,000 compared with Net Sales in 1943 of $6,436,113,000. Net Profit before Income Taxes amounted to $649,714,000 or 12.2% of sales in 1942 compared with $846,969,000 or 13.2% of sales in 1943. Net Profit after Income Taxes amounted to $405,609,000 or 7.6% of sales in 1942 compared with $505,511,000 or 7.9% of sales in 1943. These 37 companies showed a Net Profit after Income Taxes as a Percent of Net Worth amounting to 6.6% in 1942 compared with 8.1% in 1943.

"With 40 companies included in the combined totals in 1942 and 41 companies included in 1943, "Chemicals" reported Net Sales of $2,046,035,000 in 1942 compared with $2,519,106,000 in 1943. The Net Profit before Income Taxes reported by these 40 companies in 1942 amounted to $464,703,000 or 22.7% of sales compared with 41 companies reporting $527,354,000 or 20.9% of sales for the same item in 1943. These companies reported a Net Profit after Income Taxes of $177,921,000 or 8.7% of sales in 1942 compared with $185.642,000 or 7.4% of sales in 1943. Net Profit after Income Taxes as a Percent of Net Worth was 10.3% in both of the years covered.

"The industry group reporting the third largest sales was 'Paper and Allied Products.' Forty-seven companies in 1942 reported Net Sales of $981,779,000 in 1942 while 46 companies reported Net Sales of $1,056,229,000 in 1943. Net Profit before Income Taxes for these companies amounted to $153,817,000 or 15.7% of sales in 1942 compared with $145,486,000 or 13.8% of sales in 1943. Net Profit after Income Taxes amounted to $55,921,000 or 5.7% of sales in 1942 compared with $50,311,000 or 4.8% of sales in 1943. Net Profit after Income Taxes as a Percent of Net Worth declined from 8.3% in 1942 to 7.3% in 1943.

"Eleven of the nineteen industry groups reported a larger percentage of Net Profit before Income Taxes in 1943 as related to Net Sales than they did in 1942, with 4 groups reporting a larger percentage of Net Profit after Income Taxes as related to Net Sales than they did in 1942. Ten of these nineteen groups reported a larger percentage of Net Profit after Income Taxes as a Percent of Net Worth in 1943 than they did in 1942. Eight of the industry groups reported a lower percentage of Net Profit after Income Taxes as a Percent of Net Worth, and one group reported the same return in both years.

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*Net Profit after Income Taxes is the amount of profit after all charges and represents the amount transferred to Surplus.

International Jurists Confer on World Court

Representatives of 38 United Nations Meet in Washington With Secretary Stettinius. Expect to Prepare Plan for a New World Court, an Adjunct to World Peace Organization.

On April 9 the jurists of 38 of the United Nations who were invited to Washington by the State Department met with Secretary of State Stettinius. The purpose of the conference, which is expected to continue until the convening of the San Francisco Conference on April 25, is to formulate a structure of a security plan, and more particularly to prepare a design for a new Permanent World Court. According to the New York "Herald Tribune," Mr. Stettinius, in welcoming the jurists, stated:

"It is a pleasure for me, on behalf of the President and people of the United States, to welcome our distinguished guests.

"Your presence here attests your resolve and the resolve of your governments to strengthen that great arm of human protection which finds expression in the administration of justice. Nor is the significance of this meeting felt merely by the people of this land; the peace-loving peoples of the world look to you, to this committee of jurists, to give voice to their high resolve that differences between nations, no less than those between individuals, should be settled by peaceful methods and on a basis of justice.

"In 1920 a committee of jurists met at The Hague and drafted a statute for the Permanent Court of International Justice. That statute, as approved by the Council and Assembly of the League of Nations, was amended in certain respects in 1929 by another committee of jurists. We are proud that a great American statesman, the late Elihu Root, served on each of those committees.

"At Dumbarton Oaks it was proposed that there should be an International Court of Justice which should constitute the principal judicial organ of the contemplated international organization; that the statute of the Court should be either the present statute of the Permanent Court of International Justice to which I have just referred, continued in force with such modifications as may be desirable, or a new statute based upon the existing statute; and that the statute should be a part of the charter of the international organization.

"It is scarcely possible to envisage the establishment of an international organization for the maintenance of peace without having as a component part thereof a truly international judicial body.

"Those who participated in the conversations at Dumbarton Oaks left to the future the task which you are about to undertake. If the statute of such a Court is to form part of the charter of the new international organization, steps must now be taken to formulate such an instrument for consideration at the forthcoming Conference of the United Nations at San Francisco. It was because of this that the members of the United Nations were invited to send representatives to Washington for this work.

"The war-weary world is committing to your hands, in the first instance, the responsibility of preparing recommendations. To your measured judgment, the people of the world with faith in order under law entrust this important initial work. With knowledge born of the experiences of the past, and with hearts lifted by the great victories won by the United Nations over the enemies of law and human rights, you come with a mandate to make your contribution to the establishment of a peaceful world order.

"With high confidence that the results of your labors will dedound to the benefit of all mankind, I hereby open this meeting of the Committee of Jurists."

MBA Head Stresses Post-War Renting

Asserting that labor has become and will remain more mobile than ever before, more attention must be given in the country's post-war housing program to attractive rental housing, L. E. Mahan, St. Louis, President Mortgage Bankers Association of America, in a report on March 3, said that in some areas "the pendulum has swung too far in the development of single family homes."

As an initial step toward preparing for this development, Mahan is suggesting that a commission be set up to study the Securities and Exchange Act to determine its applicability in controlling the issuance and sale of real estate securities which, he declared, can be used for financing urban rehabilitation.

Urban rehabilitation, elimination of blighted areas and the development of entirely new city residential areas are sure to be among the most important post-war activities for the nation, Mahan said, and added that a careful study is needed to determine how the distribution of securities of apartments, hotels and office buildings can be made less costly to the borrower. The SEC, he said, has made an excellent record in the type of regulation to which its principal efforts have been directed, but that additional study is needed to make possible the distribution of smaller issues which can be used in financing urban rehabilitation.

Mr. Mahan pointed out that the great need for more rental housing is shown by the fact that among those families earning $1,500 to $2,500 a year, more prefer to rent than to own their own homes. Of 5,917,460 families in this bracket, 2,416,860 own their homes while 3,500,600 rent.

These are figures, Mahan said, which the "public housers" rarely mention.

Commercial Ties With Luxembourg Resumed

Commercial and business communication with Luxembourg were resumed on April 10 by the Treasury Department. This action coincided with the restoration of postal service with Luxembourg; however, telecommunications are not yet available.

Treasury licenses no longer are required for concerns in the United States and Luxembourg to exchange financial and commercial information and to establish business contacts. Banks, brokerage houses and other financial institutions may advise their customers of the status of their accounts, and bank statements, financal records and commercal reports may freely be solicited or furnished. Proxies may be solicited and signature cards obtained.

Communications to Luxembourg which constitute or contain authorizations or instructions to effect financial and property transactions will continue to require Treasury license. Treasury officials called attention to General License No. 89, which authorizes the transmission of powers-of-attorney relating to estate proceedings and the maintenance, preservation and management of real estate and tangible personal property.

Urge Pay Increase For Federal Judges

Immediate passage of the Hobbs Bill, H. R. 2181, to increase the salaries of Federal Judges by $5,000 a year, is urged by the Commerce and Industry Association of New York, Inc., largest association of business men in the northeastern part of the United States, in a letter sent to Congressmen by Thomas Jefferson Miley, Association Secretary.

The Association referred to the need for the highest caliber of legal talent to handle complicated business problems brought before these courts, and pointed to the traditionally low salaries of Federal judges, now compressed still further by high income tax payments, which make appointment to the Federal judiciary unattrative. Mr. Miley's letter follows:

"This Association believes that the various justices in the Federal courts of the nation have been grossly underpaid for a number of years; that the problems involving business coming before these courts are among the most substantial in the nation, and that the best possible judges to solve these problems, both as to learning and good moral character, is of the utmost importance.

"We desire to point out to you, as an example of the gross underpayment of these judges for the services they render, the example of the Judges of the U. S. District Courts whose salary is $10,000 a year, and further to call your attention to the fact that after tax payments these judges actually receive about $7,600 a year. We further desire to advise you that even the Chief Justice of the United States Supreme Court receives a salary less than the justices of the New York State Supreme Court from New York City (a trial court comparable to the U. S. District Courts).

"The passage of the Hobbs Bill, in the opinion of this Association, would aid in making more attractive appointment to the Federal Judiciary to lawyers of learning and good moral character and free them from financial worries.

"Our Association strongly urges you to report this bill favorably for an immediate vote in the House of Representatives."

Construction Volume For First Quarter

Substantial increase in construction volume in the thirty-seven states east of the Rocky Mountains during the first quarter of 1945 as compared with the similar period of last year was reported by F. W. Dodge Corp. on the basis of its field-staff reports.

The volume of all construction contracts awarded in the thirty-seven states during the first three months of this year totaled $616,780,000 as compared with a total of $472,867,000 in the first quarter of 1944, the Dodge corporation reported.

The main increase in activity was in non-residential construction, especially buildings used for manufacturing purposes. The comparative figures for all non-residential construction were $205,137,000 in the first quarter of 1944 and $388,612,000 in 1945.

During the first three months of this year publicity-owned construction accounted for 60% of all contracts awarded, while during the first quarter of 1944 publicly-owned construction accounted for 77%.

The first quarter's volume exceeded that shown for the first quarter of the year 1938, and compares favorably with the volume shown for the first quarter of 1937 and 1940, the Dodge corporation reported.

Dean Acheson Says Security Conference Must Blueprint a New Economy

Dean Acheson, Assistant Secretary of State, speaking before a meeting which launched the Dumbarton Oaks Week, in New York City, on April 16, said that the San Francisco United Nations Security Conference must blueprint a new and enlightened economy for the world as well as draft plans for political security among nations, it was reported in the "Herald Tribune" on April 17, which went on to say:

Mr. Acheson said that failure to integrate economic as well as political factors would vitiate the purpose of the impending conclave. So far as the United States was concerned, he said, this would bring about "changes in America which will not be to our liking."

Questions in the field of economics which must be considered at San Francisco, Mr. Acheson said, include the Bretton Woods plan for an International Stabilization Fund and a Bank for World Reconstruction and Development; questions of world trade and tariffs; problems in the field of commodity arrangements, and those which involve world shipping and aviation.

Asserting that the countries of Europe had food to last "only a few months," Mr. Acheson warned against long debates throughout the country or at San Francisco "while in the meantime the world is going to pieces around us."

He emphasized that the Lend-Lease Act would end with the war, but said the United States must take the lead in sending immediate supplies of food and raw materials to areas of the world ravaged by war.

The social and economic arrangements made at the San Francisco conference, he said, will decide "whether these nations create a world of their own based on ideas which we abhor, or whether they go forward with us in creating a world in which there is international life in which freedom and democracy can live."

Manila Banking Facilities Are Re-established

Now that Manila has been freed of the Jap invaders and rehabilitation of the City is under way, essential banking facilities have been re-established there by the Philippine Government. As an important link in expanding the usefulness of those facilities, remittances now may be sent to liberated areas of the Philippines through the Foreign Department of the Chase National Bank, acting as New York correspondent for the Banking Division of the National Treasury of the Commonwealth of the Philippines.

These remittances, authorized under General Licenses No. 32 and No. 33, are limited to a maximum of $500 per month for necessary living expenses in one household. They may be sent by cable or steamer mail. Air mail facilities are not yet available.

Remittances for other purposes and for larger amounts also may be made, subject to specific license by the United States Treasury Department.

Heath Heads Hospital Fund

Alfred R. Heath, Vice-President of the Midtown Office of the Marine Midland Trust Co. of N. Y., 250 Park Ave., has been named Chairman of the Banking Division of The Roosevelt Hospital District Service Expansion Fund. Thomas S. McLane, President of the Hospital, has announced.

This division represents one of forty commerce and industry groups in the Hospital's first organized appeal to business interests on the West Side in its seventy-five year history.

The campaign goal is $1,000,000 to provide new and adequate accident-emergency and out-patient clinical facilities, new laboratories and additional semi-private rooms.

Admiral Ramsey Warns of Long War

Rear Admiral Dewitt C. Ramsey, speaking at a presentation of the Army-Navy "E" award on April 16 at Baltimore, warned that it would be "dangerous to underestimate the length of the road which lies ahead to Tokyo," it was made known in United Press dispatches from Baltimore on April 16, which gave other remarks of Admiral Ramsey as follows:

"The war in the Pacific is not yet won on the land or sea, nor in the air, nor in the factories. The battles of ultimate decision remain to be fought, and they will be as costly, no doubt, as the victories already won. We must never allow ourselves to forget the increasing difficulties of maintaining our lengthening supply lines across the Pacific, nor the fanatical, suicidal character of an enemy fighting in desperate defense of his homeland."

Savings Banks Show Marked Gains in March

For the first time in their history the 131 savings banks of New York State gained as much as $100,000,000 in deposits in one month, it was stated on April 10 by the Savings Banks Association in reporting on results for March.

The net increase was $104,357,443, compared with a gain of $90,766,087 in February. The March growth was 84% greater than the deposit increase in the same month last year. The net gain in savings accounts for March was 29,967.

Total deposits at the end of March were $7,407,599,973 and savings accounts numbered 6,504,460.

During the first quarter of this year the deposit gain was $283,044,078, exclusive of dividends, compared with an increase of $146,340,320 in the first three months of 1944. Total number of open accounts increased by 97,632 in the first quarter of this year, compared with a growth of 65,584 in the corresponding period last year.

To Cut Tire Tube Output

Announcement has been made by the War Production Board that manufacture of tubes for civilian passenger cars and small trucks will be limited in the second quarter of the year, according to Associated Press report from Washington, April 10, which stated that the object was to make available 1,000,000 pounds of carbon black a month for heavy duty truck and bus tire production.

There has been no control over the production of tubes for passenger cars and small trucks, since the supply of styrene type rubber has been sufficient to meet all demands. As a result, the Associated Press report continued, the inventory of these tubes now exceeds stocks of tires by about 40 per cent. Manufacturers will not be allowed to make tubes in the second quarter without specific authorization from the WPB. The manufacture of these tubes will not be stopped, the agency explained, but rather will be limited so that tube inventories will more nearly approximate tire inventories.

Bank Debits for Month of March

The Board of Governors of the Federal Reserve System issued on April 11 to its usual monthly summary of "bank debits," which we give below:

SUMMARY BY FEDERAL RESERVE DISTRICTS
(In millions of dollars)

			—3 Months Ended—	
Federal Reserve District—	Mar. 1945	Mar. 1944	Mar. 1945	Mar. 1944
Boston	3,668	3,479	10,412	10,658
New York	34,338	32,121	102,941	91,625
Philadelphia	3,493	3,398	10,124	9,822
Cleveland	4,972	4,705	14,155	14,059
Richmond	2,828	2,673	8,150	7,728
Atlanta	2,742	2,522	7,955	7,469
Chicago	12,984	12,716	34,815	34,767
St. Louis	2,235	2,046	6,462	6,103
Minneapolis	1,355	1,435	3,958	4,240
Kansas City	2,733	2,381	7,641	7,056
Dallas	2,349	2,089	6,733	6,114
San Francisco	7,370	6,525	20,703	19,042
Total, 334 centers	81,068	76,090	234,049	218,682
*New York City	31,884	29,644	95,939	84,266
*140 other centers	41,715	39,412	116,725	113,841
193 other centers	7,469	7,034	21,385	20,575

*Included in the national series covering 141 centers, available beginning in 1919.

Steel Output Again Declines—Order Volume Continues Strong—Shell Program Curtailed

"Steel order volume continued strong this week, as additional directives loaded order books," states "The Iron Age" in its issue today (April 19), which also says: "This continued pressure lengthens the comparative gains for 1945 over the previous year. Meanwhile consumer pressure for maintenance of open tonnage delivery promises has amplified at a number of points due to reduction of inventories growing out of the recall of substantial WPB second quarter allotments.

"The unofficial coal strike was gradually dying away in the Pittsburgh region, although miners availed themselves of the opportunity to mourn the death of the late President, and steel production in the district gained 9.5 points from last week's revised rate of 82% to 91.5% of capacity. In Birmingham early in the week the miners were still idle. Finished steel as well as open hearth and blast furnace operations was being seriously affected as a result.

"Complaints on sheet deliveries have appeared in recent days, although other pressure for accelerated deliveries is being alleviated by the continued inability of steel users to attain full production because of manpower shortages. Some customers have been given assistance through placement in scattered spot openings for regular bars, hot rolled strip, universal mill products and sheared plates.

"Can companies, largest users of tinplate, report that their steel supply situations are becoming serious. The reduction of tinplate supply caused by the switching of sheets into other channels has coupled with increased demand for food containers to provoke this situation. War Production Board Vice-Chairman Batcheller states that present container programs are going to be increased or at least held at present levels regardless of the turn of events in Europe.

"According to present schedules third quarter production of shell steel billets is expected to drop 300,000 tons below the second quarter output, and will remain about the same from then throughout the year. Military authorities still caution the new programs being contemplated may take up much of the slack of V-E Day cutbacks.

"Warehouses are continuing heavy demands on mills for steel, with the general warehouse situation being one of low inventories and poorly balanced stocks. A few warehouses are in fair shape, but they are in the minority.

"Canadian steel production is at present operating at around 90% of capacity, and pig iron production at about 67%, due to manpower shortages. With the possible exception of plate, on which delivery is availabel in July, producers are in no position to make delivery promises on new orders. Sheet and bar mills in Canada are booked into the last quarter, and even for the last of the year delivery dates are questionable. Minor tonnages only are available for civilian production, and are not expected until V-E Day. Cutbacks at that time are expected to approximate 20% to 40%.

"The American Army is reported to have revised its program on freight car equipment for foreign use. It now stands at around 10,000 cars of various sorts for Belgium, 38,250 for France and 6,000 for India. This is entirely a long range program to be started off with construction of around 10,000 cars during the fourth quarter of this year. The Army is believed to be ready to make new inquiries to car builders, but they will be comparatively minor alongside the planning enumerated."

The American Iron and Steel Institute on April 16 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 91.9% of capacity for the week beginning April 16, compared with 94.3% one week ago, 96.9% one month ago and 99.5% one year ago. The operating rate for the week beginning April 16 is equivalent to 1,683,300 tons of steel ingots and castings, compared to 1,728,100 tons one week ago, 1,774,900 tons one month ago, and 1,782,300 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on April 16 stated in part as follows: "Substantial readjustment in steel mill schedules is considered likely before the end of this quarter and further cutbacks in the 1945 munitions program, the latest bearing particularly on shells and combat tanks, are expected to be followed soon by additional curtailments as organized military resistance in Europe continues to crumble.

"Readjustments are not expected necessarily to lead to pronounced reduction in steelmaking operations during this quarter, as it is apparent that ample tonnage will be available for as early rolling as possible for at least several weeks.

"Actual cancellations in second quarter tonnage as a result of recently announced cutbacks in the shell program are not expected to be heavy. It is pointed out that while the curtailment amounts to about 10% of the overall shell program for this year, it represents approximately a leveling off at current levels. Effects should be more noticeably felt by steel producers later in the year.

"During the past week there has been a general overall easing in orders, not a sharp letdown but a noticeable drop. This applied even to sheets, which have been under such heavy demand this year. Much of the general easing may be ascribed to the huge wave of buying early in the year, followed by a second wave last month. Demand continues for tonnage for early delivery, which cannot be translated into orders without directives, which are now issued less often. At the same time there is less interest in forward commitments as events may change the picture before many of these late deliveries can be made.

"Recovering from the handicaps of earlier months but still suffering from lack of workers the steel industry in March produced steel ingots at the third highest rate on record. Output was 7,724,756 net tons, exceeded only by March, 1944, with 7,820,226 tons and October, 1943, with 7,814,117 tons. In spite of this showing first quarter fell more than a million tons short of the initial quarter last year, producing 21,581,859 tons, against 22,595,283 tons in that period in 1944."

Treasury Announces 7th War Loan Terms

Secretary Morgenthau announced on April 3 the terms of the four marketable securities to be sold in the Seventh War Loan Drive, starting on May 14. All of the securities will be dated June 1, 1945.

The 2½% bonds will mature June 15, 1972, and may be redeemed at the option of the United States on and after June 15, 1967. They will be issued in coupon and registered form at the option of the buyers, in denominations of $500 to $1,000,000.

The 2¼% bonds will mature June 15, 1962, and may be redeemed at the option of the United States on and after June 15, 1959. They will be issued in coupon and registered form at the option of the buyers, in denominations of $500 to $1,000,000.

The 1½% bonds will mature Dec. 15, 1950. They will be issued in coupon and registered form at the option of the buyers, in denominations of $500 to $1,000,000.

The ⅞% certificates of indebtedness will mature June 1, 1946, and will be issued in coupon form only, in denominations of $1,000 to $1,000,000.

Price Control Act Extended for Year

The Senate Banking Committee on March 29 approved a one-year extension of the Price Control Act. Before the Committee made the extension, however, the officials of the Office of Price Administration assured the members they would try to adjust the practices against which complaints had been reecived from various business groups.

Washington Bureau of the Associated Press, from which the information is learned on March 27, also said:

"In approving an extension of the act without change, the Committee not only turned down amendments asked by industry but a series of changes proposed by Price Administrator Chester Bowles. The OPA chief had recommended that he be empowered to place ceilings on movie tickets and barber and beauty shop charges. He also asked that rents for business establishments be brought under control.

"Still another Bowles proposal was for action to halt what he called the inflation of real estate and securities. On this latter proposal, the Committee sentiment was described as being that any action taken should be handled as separate legislation rather than included in the price control law."

Navy Reduces Draft Call for May

The draft call for May for the U. S. Navy has been cut in half and will most likely be cut still further in June, Associated Press advices from Washington reported on April 4. This action will reduce the over-all draft call for 132,000 men per month by 12% The Navy's call for May will now constitute about 16,000 men instead of its previously announced quota of 32,000.

Officials who know these things in advance of public announcements but who cannot be quoted by name added that this quota may be cut further in June and even more sharply thereafter, because the Navy expects to reach peak strength of about 3,600,000 men by July 1. After that calls will be solely on a replacement basis.

An official Navy statement disclosed the impending cut, but gave no details. It said:

"The Navy's calls on selective service have been and are being gradually reduced in order to conform to authorized strength, which is expected by July 1."

It was learned, however, that the first substantial cut is due next month. Two reasons are given for the reductions:

1. Enlistment of 17-year-olds in the Navy has been at a higher rate than expected.
2. Peak strength is being achieved more rapidly than anticipated, indicating casulaties may not have been as numerous as calculated.

However, the Army has stood firm on its calling of 100,000 men every month until June.

Stimson Backs Post-War Merger of Army and Navy

Post-war merger of the Army and Navy under one department of the armed forces has received the endorsement of Secretary Stimson, the Associated Press reported from Washington, April 8. His letter, addressed to Senator Hill of Alabama, said, in part:

"The War Department strongly favors the establishment of a single department of the armed forces, and recommends the enactment of measures which will accomplish this objective in an orderly manner."

Mr. Hill, according to the Associated Press, is author of legislation which would set up such a department, with a Secretary of the Armed Forces as its head. Provision would be made for undersecretaries of Army, Navy, Air and other activities, and for establishing the United States Chiefs-of-Staff.

Sweden Breaks With Czech "Quisling" Gov't.

The Swedish government broke off all diplomatic relations with Dr. Joseph Tiso's Nazi controlled government of Slovakia on April 5, and at the same time resumed relations with the official Allied recognized Czechslovakian regime.

The New York "Times" in reporting this on April 6 said:

"Dr. Kugera has been recognized as the Czech envoy to Stockholm with full diplomatic powers. Dr. Kugera was Czech envoy to Stockholm before Munich. The Swedish Government's reason for resuming diplomatic relations with Czechoslovakia and breaking off relations with Slovakia is that the Czech Army now stands on Czechoslovak soil and Tiso's Quisling set-up has ceased to represent anything but a fraction of the German-held province."

Netherlands & France Economic Pact Signed

Dr. Eelco N. van Kleffens, Netherland Foreign Minister, at present on a brief visit to Paris, on March 20 signed an economic accord with France that links with similar agreements recently reached with Belgium and Luxembourg, according to a wireless message to the New York "Times" from Paris, which further reported:

"As a consequence the four countries of western Europe were pledged to consult each other in all economic matters. Stress was laid on the consultative character of the agreement when the Netherland Minister, later in the day, held a conference for the French and foreign press.

Mr. van Kleffens further emphasized that any action taken now by the Netherland Government must be regarded as temporary, adding that when all the national territory was liberated the Cabinet now sitting in London would resign so that the entire nation would have an opportunity to express its views on future policies.

"In cautious answers to questions, Mr. Van Kleffens admitted that in his conversations with Gen. Charles de Gaulle and Foreign Minister Georges Bidault the entire range of post-war problems had been under consideration, with stress laid on the fact that very similar political and economic problems faced France, Belgium, the Netherlands and Luxembourg.

"A Council of Economic Cooperation with a permanent secretariat woul be created to study such questions," he said.

"Mr. Van Kleffens rejected any idea of creating a 'western European bloc,' preferring to speak of 'regional accords,' and insisting that in such matters Britain's readiness to lead remained the principal factor.

"He indicated also that because German destruction, notably in the form of inundations, had ruined much land for many years, the Netherlands considered demanding territorial concessions in the peace treaty."

Chicago Fed. Home Loan Bank Has Record Month

An unseasonal upturn in demand for funds from the Federal Home Loan Bank of Chicago brought about last month the first $1,000,000 March in the history of the bank's lending activities to the savings, building and loan associations in Illinois and Wisconsin. A. R. Gardner, President, reported to the Federal Home Loan Bank Administration in Washington on April 12 that the bank advanced $1,031,088, nearly three times its loan transactions in the like month of 1944.

Demand for the funds of this regional reserve institution the first two months of 1945 was well below volume for the same months a year ago, and Mr. Gardner feels that the March uptrend is largely a reflection of the previous two months' slack rather than of any noteworthy reversal of previous years' patterns in month-to-month borrowing.

Also the earlier-than-usual spring in this area was cited as one factor influencing the local home lending institutions to supplement their funds from local savers and investors by getting more Home Loan Bank advances in March than usual. They will thus be prepared to handle increases in loan applications for home modernization and remodeling which can be expected to come earlier than usual, in localities where materials are available, because of the advanced season in this part of the country.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following table.

MOODY'S BOND PRICES†
(Based on Average Yields)

1945— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R	P. U.	Indus
Apr. 17	122.53	115.04	120.84	118.60	115.04	106.56	111.81	114.46	119.20
16	122.51	115.04	120.84	118.60	115.04	106.56	111.81	114.27	119.41
14	Stock Exchange Closed.								
13	122.59	115.04	120.84	118.60	115.04	106.56	111.81	114.46	119.20
12	122.59	115.04	120.84	118.40	115.04	106.56	111.81	114.46	119.20
11	122.45	115.04	120.84	118.40	115.24	106.56	111.62	114.46	119.20
10	122.59	115.04	120.84	118.40	115.04	106.56	111.62	114.46	119.20
9	122.36	115.04	120.84	118.40	115.04	106.39	111.44	114.46	119.20
7	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.46	119.20
6	122.21	115.04	120.84	118.40	115.04	106.39	111.44	114.46	119.20
5	122.20	115.04	120.84	118.40	115.04	106.39	111.44	114.46	119.20
4	122.19	115.04	121.04	118.40	115.04	106.39	111.44	114.46	119.20
3	122.04	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.20
2	122.00	114.85	120.84	118.40	114.85	106.04	111.25	114.27	119.20
Mar. 31	122.01	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.20
23	122.19	115.04	121.04	118.60	114.85	106.21	111.44	114.27	119.41
16	122.25	115.04	120.84	118.80	114.66	106.39	111.07	114.46	119.41
9	122.47	114.85	120.63	118.60	114.66	106.21	110.88	114.46	119.41
2	122.05	114.66	120.43	118.60	114.46	106.21	110.70	114.27	119.61
Feb. 23	121.92	114.66	120.02	118.60	114.46	106.04	110.52	114.08	119.41
16	121.97	114.46	120.02	118.60	114.27	105.69	110.15	114.08	119.41
9	121.58	114.27	119.82	118.40	114.08	105.69	109.97	114.08	119.20
2	121.33	114.08	119.82	118.00	113.89	105.34	109.60	114.08	118.80
Jan. 26	120.88	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
19	121.09	113.70	119.20	118.00	113.70	105.00	108.88	113.70	118.60
12	121.25	113.70	119.00	118.00	113.50	104.83	109.06	113.70	118.40
5	120.66	113,50	119,00	117.80	113.50	104.66	108.70	113.89	118.20
High 1945	122.59	115.04	121.04	118.80	115.24	106.56	111.81	114.46	119.61
Low 1945	120.55	113.50	118.80	117.80	113.31	104.48	108.52	113.70	118.20
1 Year Ago									
April 17, 1944	119.86	111.81	118.40	116.61	111.62	101.31	105.17	113.70	116.61
2 Years Ago									
April 17, 1943	118.08	109.60	117.80	115.43	110.52	96.54	100.98	112.93	115.82

MOODY'S BOND YIELD AVERAGES
(Based on Individual Closing Prices)

1945— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R	P. U	Indus
Apr. 17	1.62	2.90	2.61	2.72	2.90	3.36	3.07	2.93	2.69
16	1.63	2.90	2.61	2.72	2.90	3.36	3.07	2.94	2.68
14	Stock Exchange Closed.								
13	1.62	2.90	2.61	2.72	2.90	3.36	3.07	2.93	2.69
12	1.62	2.90	2.61	2.73	2.90	3.36	3.07	2.93	2.69
11	1.63	2.90	2.61	2.73	2.89	3.36	3.08	2.93	2.69
10	1.63	2.90	2.61	2.73	2.90	3.36	3.08	2.93	2.69
9	1.64	2.90	2.61	2.73	2.90	3.37	3.09	2.93	2.69
7	1.64	2.90	2.61	2.73	2.90	3.37	3.09	2.93	2.69
6	1.64	2.90	2.61	2.73	2.90	3.37	3.09	2.93	2.69
5	1.65	2.90	2.61	2.73	2.90	3.37	3.09	2.93	2.69
4	1.65	2.90	2.60	2.73	2.90	3.37	3.09	2.93	2.69
3	1.66	2.91	2.60	2.73	2.91	3.39	3.10	2.94	2.69
2	1.66	2.91	2.61	2.73	2.91	3.39	3.10	2.94	2.69
Mar. 31	1.66	2.91	2.60	2.73	2.91	3.39	3.10	2.94	2.69
23	1.65	2.90	2.60	2.72	2.91	3.38	3.09	2.94	2.68
16	1.65	2.90	2.61	2.71	2.92	3.37	3.11	2.93	2.68
9	1.66	2.91	2.62	2.72	2.92	3.38	3.12	2.93	2.68
2	1.69	2.92	2.63	2.72	2.93	3.38	3.13	2.94	2.67
Feb. 23	1.69	2.92	2.65	2.72	2.93	3.39	3.14	2.95	2.68
16	1.69	2.93	2.65	2.72	2.94	3.41	3.16	2.95	2.68
9	1.72	2.94	2.66	2.73	2.95	3.41	3.17	2.95	2.69
2	1.73	2.95	2.66	2.75	2.96	3.43	3.19	2.95	2.71
Jan. 26	1.77	2.96	2.68	2.75	2.97	3.44	3.21	2.96	2.72
19	1.75	2.97	2.69	2.75	2.97	3.45	3.23	2.97	2.72
12	1.74	2.97	2.70	2.75	2.98	3.46	3.22	2.97	2.73
5	1.79	2.98	2.70	2.76	2.98	3.47	3.24	2.96	2.74
High 1945	1.80	2.98	2.71	2.76	2.99	3.48	3.25	2.97	2.74
Low 1945	1.62	2.90	2.60	2.71	2.89	3.36	3.07	2.93	2.67
1 Year Ago									
April 17, 1944	1.82	3.07	2.73	2.82	3.08	3.67	3.44	2.97	2.82
2 Years Ago									
April 17, 1943	2.00	3.19	2.76	2.88	3.14	3.97	3.69	3.01	2.86

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

Electric Output for Week Ended April 14, 1945 0.6% Ahead of That for Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended April 14, 1945, was approximately 4,332,400,000 kwh., which compares with 4,307,498,000 kwh. in the corresponding week a year ago, and 4,321,794,000 kwh. in the week ended April 7, 1945. The output of the week ended April 14, 1945, was 0.6% in excess of that for the same week last year.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— April 14	April 7	Mar. 31	Mar. 24
New England	0.0	1.2	*0.4	3.7
Middle Atlantic	*3.4	*5.2	*6.2	*3.0
Central Industrial	0.3	0.8	0.2	1.8
West Central	10.6	9.4	6.1	5.3
Southern States	7.7	4.9	4.6	3.6
Rocky Mountain	*0.6	*3.8	*7.4	*10.0
Pacific Coast	*2.2	*6.0	*6.5	*2.1
Total United States	0.6	*0.9	*1.8	*0.2

*Decrease under similar week in previous year.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1945	1944	% Change over 1944	1943	1932	1929
Jan. 6	4,427,281	4,567,959	--	3,952,587	1,602,482	1,733,810
Jan. 13	4,614,334	4,539,083	+ 1.7	3,952,479	1,598,201	1,736,721
Jan. 20	4,588,214	4,531,662	+ 1.2	3,974,202	1,588,967	1,717,315
Jan. 27	4,576,713	4,523,763	+ 1.2	3,976,844	1,588,853	1,728,203
Feb. 3	4,538,552	4,524,134	+ 0.3	3,960,242	1,578,817	1,726,161
Feb. 10	4,505,269	4,532,730	— 0.6	3,939,708	1,545,459	1,718,304
Feb. 17	4,472,298	4,511,562	— 0.9	3,948,749	1,512,158	1,699,250
Feb. 24	4,473,962	4,444,939	+ 0.7	3,892,796	1,519,679	1,706,719
March 3	4,472,110	4,464,686	+ 0.2	3,946,630	1,538,452	1,702,570
March 10	4,446,136	4,425,630	+ 0.5	3,944,679	1,537,747	1,687,229
March 17	4,397,529	4,400,246	— 0.1	3,946,836	1,514,553	1,683,262
March 24	4,401,716	4,409,159	— 0.2	3,928,170	1,480,208	1,679,589
March 31	4,329,478	4,408,703	— 1.8	3,889,858	1,465,076	1,633,291
April 7	4,321,794	4,361,094	— 0.9	3,882,467	1,480,738	1,696,543
April 14	4,332,400	4,307,498	+ 0.6	3,916,794	1,469,810	1,709,331
April 21	------	4,344,188		3,925,175	1,454,505	1,699,822
April 28	------	4,336,247		3,866,721	1,429,032	1,688,434

Note—Because the same week a year ago contained the New Year holiday, no percentage comparison is available for the week ended Jan. 6.

Weekly Coal and Coke Production Statistics

The Solid Fuels Administration, U. S. Department of the Interior, in its latest report, states that the production of soft coal in the week ended April 7, 1945, is estimated at 7,720,000 net tons, a decrease of 4,596,000 tons, or 37.3%, when compared with the preceding week, (This loss was due in part to the present coal strike situation and to the observance of "Eight-Hour Day" on April 2, 1945.) Output in the corresponding week of 1944 was 12,036,000 tons. The total production of soft coal from Jan. 1 to April 7, 1945 is estimated at 159,921,000 net tons, a decrease of 8.6% when compared with the 175,052,000 tons produced in the calendar year to April 8, 1944.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended April 7, 1945, is estimated at 1,080,000 tons, a decrease of 102,000 tons (8.6%) from the preceding week. When compared with the corresponding week of 1944, there was a decrease of 48,000 tons, or 4.3%. The calendar year to date shows a decrease of 16.0% when compared with the same period of 1944.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended April 7, 1945, showed a decrease of 56,200 tons when compared with the output for the week ended March 31, 1945, and was 72,400 tons less than for the corresponding week of 1944.

ESTIMATED UNITED STATES PRODUCTION OF BITUMINOUS COAL AND LIGNITE IN NET TONS

Bituminous coal & lignite—	Week Ended— Apr. 7, 1945	†Mar. 31, 1945	Apr. 8, 1944	Jan. 1 to Date— Apr. 7, 1945	Apr. 8, 1944
Total including mine fuel	7,720,000	12,316,000	12,036,000	159,921,000	175,052,000
Daily average	*1,485,000	2,053,000	2,006,000	1,931,000	2,077,000

*Monday, April 2, weighted as 0.2 of a working day. (Eight-Hour Day, a holiday in the soft coal industry, fell on Sunday). †Revised.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE
(In Net Tons)

Penn. anthracite—	Week Ended— ‡Apr. 7, 1945	§Mar. 31, 1945	Apr. 8, 1944	Calendar Year to Date— Apr. 7, 1945	Apr. 8, 1944	Apr. 10, 1937
*Total incl. coll. fuel	1,080,000	1,182,000	1,128,000	14,958,000	17,811,000	14,873,000
†Commercial produc.	1,037,000	1,125,000	1,083,000	14,360,000	17,099,000	14,129,000
Beehive coke—						
United States total	75,100	131,300	147,500	1,564,300	2,175,900	1,014,700

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Subject to revision. §Revised.

ESTIMATED WEEKLY PRODUCTION OF BITUMINOUS COAL AND LIGNITE, BY STATES, IN NET TONS

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

State—	Week Ended— Mar. 31, 1945	Mar. 24, 1945	Apr. 1, 1944
Alabama	398,000	378,000	325,000
Alaska	6,000	6,000	6,000
Arkansas and Oklahoma	95,000	86,000	85,000
Colorado	154,000	148,000	178,000
Georgia and North Carolina	*	*	*
Illinois	1,501,000	1,518,000	1,358,000
Indiana	563,000	541,000	530,000
Iowa	58,000	61,000	53,000
Kansas and Missouri	156,000	135,000	166,000
Kentucky—Eastern	1,010,000	1,002,000	939,000
Kentucky—Western	353,000	348,000	291,000
Maryland	41,000	40,000	37,000
Michigan	3,000	4,000	5,000
Montana (bitum. & lignite)	87,000	105,000	99,000
New Mexico	32,000	36,000	38,000
North & South Dakota (lignite)	34,000	40,000	47,000
Ohio	717,000	652,000	633,000
Pennsylvania (bituminous)	3,080,000	2,756,000	2,915,000
Tennessee	148,000	137,000	145,000
Texas (bituminous & lignite)	2,000	1,000	3,000
Utah	136,000	140,000	142,000
Virginia	374,000	373,000	378,000
Washington	37,000	38,000	32,000
†West Virginia—Southern	2,091,000	2,086,000	2,144,000
‡West Virginia—Northern	1,040,000	1,032,000	972,000
Wyoming	200,000	187,000	204,000
§Other Western States	*	*	*
Total bituminous & lignite	12,316,000	11,850,000	11,725,000

†Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. ‡Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. §Includes Arizona and Oregon. *Less than 1,000 tons.

Latest Summary of Copper Statistics

The Copper Institute on April 11 released the following statistics pertaining to production, deliveries and stocks of duty-free copper.

SUMMARY OF COPPER STATISTICS REPORTED BY MEMBERS OF THE COPPER INSTITUTE
(In Tons of 2,000 Pounds)

U. S. Duty Free Copper	Production *Crude	Refined	Deliveries to Customers †Domestic	Export	‡Refined Stocks End of Period	Stock Increase (+) or Decreases (—) Blister	Refined
Year 1939	836,074	818,289	814,407	134,152	159,485	+17,785	—130,270
Year 1940	992,293	1,033,710	1,001,886	48,537	142,772	—41,417	— 16,713
Year 1941	1,016,996	1,065,667	1,545,541	307	75,564	—48,671	— 67,208
Year 1942	1,152,344	1,135,708	1,635,236	----	65,309	+16,636	— 10,255
Year 1943	1,194,699	1,206,871	1,643,677	----	52,121	—12,172	— 13,188
Year 1944	1,056,180	1,098,788	1,636,295	----	66,780	—42,608	+ 14,659
3 Mos., 1945	217,484	214,071	536,977	----	51,861	+ 3,413	— 14,919
Jan., 1944	95,400	92,781	101,779	----	45,800	+ 2,619	— 6,321
Feb., 1944	95,712	87,128	124,800	----	36,489	+ 8,584	— 9,311
Mar. 1944	101,247	99,118	156,083	----	37,259	+ 2,129	+ 770
Apr., 1944	92,530	95,280	156,233	----	38,382	— 2,750	+ 1,123
May, 1944	94,534	98,580	165,887	----	37,074	— 4,046	— 1,308
June, 1944	89,070	93,958	141,139	----	42,467	— 4,888	+ 5,393
July 1944	86,224	93,650	121,898	----	48,050	— 1,426	+ 5,583
Aug., 1944	82,769	91,047	139,515	----	50,991	— 8,278	+ 2,941
Sept., 1944	82,776	88,384	118,054	----	51,412	— 5,608	+ 421
Oct., 1944	82,653	89,068	126,590	----	49,358	— 6,415	— 2,054
Nov., 1944	76,466	87,145	127,517	----	58,051	—10,679	+ 8,692
Dec., 1944	76,799	82,649	156,800	----	66,780	— 5,850	+ 8,729
Jan., 1945	73,754	67,726	145,904	----	59,715	+ 6,028	— 7,069
Feb., 1945	67,496	69,950	172,585	----	57,142	— 2,454	— 2,573
Mar., 1945	76,234	76,395	218,488	----	51,861	— 161	— 5,281

*Mine or smelter production or shipments, and custom intake including scrap.

†Beginning March, 1941, includes deliveries of duty paid foreign copper for domestic consumption.

‡At refineries on consignment and in exchange warehouses, but not including consumers' stocks at their plants or warehouses.

Note—Statistics for the months of January and February, 1945 have been revised.

NHA Home Building Program Reported

Continued expansion of a home-building program designed to relieve general congestion in war production centers was reported on April 14 by John B. Blandford, Jr., Administrator of the National Housing Agency.

Nearly 25,000 units have been authorized by NHA under this program, known as H-2 Housing, in 111 communities where sufficient building labor was found to be available to carry out the construction without interfering with direct war employment.

Several additional quotas for important areas will be cleared in the next few days, Mr. Blandford said, and added: "I am hopeful that the H-2 program will prove a valuable bridge toward reconversion of the housing industry."

Within the limitations imposed by war conditions, NHA is also doing all in its power to make it possible for returning war veterans who are unable to find suitable accommodations for themselves and their families to build their own homes, Mr. Blandford said. Up to now more than 2,700 priorities for the construction of dwellings have been issued to former service men.

In addition, more than 13,000 other priorities have been granted to relieve cases of individual hardships.

Mr. Blandford made it clear, however, that supplying the necessary housing for migrating war workers remains the primary job of NHA and reported that the agency is moving promptly to meet new needs that have been created by a current spurt in some critical war production activities.

"These new needs, while small in relation to the total war housing now in use, are nonetheless vital to support stepped-up production schedules in areas where sufficient housing is not available to take care of additional labor which must be recruited from the outside," Mr. Blandford explained.

This housing will serve new workers in such activities as the Army's increased ammunition and ordnance programs, the repair of battle damage to naval vessels, the naval shipbuilding program, the sharply expanding naval supply operations on the West Coast, and the production of superbombers for the war in the Pacific.

As of March 1, more than 53,000 units of war housing, both privately and publicly financed, were under construction. Another 60,000 had been authorized and were ready to be placed under construction, of which 41,000 will be privately financed and 19,000 built with public funds. It is estimated that several thousand more temporary publicly financed units not yet authorized will be required.

At the end of February, a total of 1,791,822 war housing units or 94% of the assigned program had been completed. In addition, some 2,000,000 other accommodations had been provided through more intensive use of the existing housing supply.

Moody's Daily Commodity Index

Tuesday, April 10, 1945	255.9
Wednesday, April 11	255.7
Thursday, April 12	255.8
Friday, April 13	255.8
Saturday, April 14	*
Monday, April 16	255.9
Tuesday, April 17	256.3
Two weeks ago, April 3	255.3
Month ago, March 17	255.3
Year ago, April 17, 1944	250.2
1943 High, April 1	249.8
Low, Jan. 2	240.2
1944 High, April 10	255.9
Low, Jan. 24	252.1

*Holiday.

Trading on New York Exchanges

The Securities and Exchange Commission made public on April 11 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Mar. 24, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended March 24 in round-lot transactions) totaled 1,806,316 shares, which amount was 16.07% of the total transactions on the Exchange of 5,622,060 shares. This compares with member trading during the week ended March 17 of 1,595,908 shares, or 16.35% of the total trading of 4,882,480 shares. On the New York Curb Exchange, member trading during the week ended March 24 amounted to 589,295 shares, or 14.15% of the total volume on that exchange of 1,693,355 shares. During the March 17 week trading for the account of Curb members of 410,095 shares was 14.89% of the total trading of 1,376,655.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED MARCH 24, 1945

	Total for week	†%
A. Total Round-Lot Sales:		
Short sales	147,450	
‡Other sales	5,474,610	
Total sales	5,622,060	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	526,730	
Short sales	63,690	
‡Other sales	455,350	
Total sales	519,040	9.30
2. Other transactions initiated on the floor—		
Total purchases	164,600	
Short sales	19,830	
‡Other sales	174,970	
Total sales	194,800	3.20
3. Other transactions initiated off the floor—		
Total purchases	190,251	
Short sales	21,520	
‡Other sales	189,375	
Total sales	210,895	3.57
4. Total—		
Total purchases	881,581	
Short sales	105,040	
‡Other sales	819,695	
Total sales	924,735	16.07

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED MARCH 24, 1945

	Total for week	†%
A. Total Round-Lot Sales:		
Short sales	18,210	
‡Other sales	1,675,145	
Total sales	1,693,355	
B. Round-Lot Transaction for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	134,345	
Short sales	10,160	
‡Other sales	133,955	
Total sales	144,115	8.22
2. Other transactions initiated on the floor—		
Total purchases	46,700	
Short sales	3,600	
‡Other sales	45,055	
Total sales	48,655	2.82
3. Other transactions initiated off the floor—		
Total purchases	36,255	
Short sales	1,500	
‡Other sales	67,725	
Total sales	69,225	3.11
4. Total—		
Total purchases	217,300	
Short sales	15,260	
‡Other sales	246,735	
Total sales	261,995	14.15
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	67,619	
Total purchases	67,619	
Total sales	52,791	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission's rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

National Fertilizer Association Commodity Price Index Advances to New All-Time Peak

The weekly wholesale commodity price index, compiled by the National Fertilizer Association made public on April 16 advanced fractionally in the week ending April 14, 1945, reaching another new all-time peak of 140.3, from 140.2 in the preceding week. This is the second consecutive week that the index has broken through to higher levels, after having remained fairly steady during the past three months. A month ago the index stood at 139.8, and a year ago at 137.1, based on the 1935-1939 average as 100. The association's report continued as follows:

Three important groups of the composite index advanced during the week and none declined. The farm products group advanced slightly with the cotton sub-group showing a substantial rise; the grains index advancing fractionally because of higher quotations for corn and rye more than offsetting lower quotations for oats; and the livestock group declining moderately with lower prices for cattle and lambs but with higher quotations for live fowls. The foods index advanced fractionally with a rise in the price for dressed fowls. The textiles index advanced slightly. All other groups in the index remained unchanged.

During the week 5 price series in the index advanced and 6 declined; in the preceding week there were 6 advances and 2 declines; in the second preceding week there was 1 advance and were 5 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week Apr. 14, 1945	Preceding Week Apr. 7, 1945	Month Ago Mar. 17, 1945	Year Ago Apr. 15, 1944
25.3	Food	141.9	141.8	141.0	138.4
	Fats and Oils	145.3	145.3	145.3	146.1
	Cottonseed Oil	163.1	163.1	163.1	159.6
23.0	Farm Products	166.5	166.4	165.4	156.7
	Cotton	209.6	207.4	206.4	200.9
	Grains	163.0	162.8	163.6	164.8
	Livestock	160.6	161.1	159.5	146.9
17.3	Fuels	130.4	130.4	130.4	130.1
10.8	Miscellaneous Commodities	133.7	133.7	133.4	132.2
8.2	Textiles	156.3	156.1	156.0	152.3
7.1	Metals	104.7	104.7	104.7	104.4
6.1	Building Materials	154.2	154.2	154.2	152.4
1.3	Chemicals and Drugs	125.4	125.4	125.4	127.7
.3	Fertilizer Materials	118.3	118.3	118.3	117.7
.3	Fertilizers	119.9	119.9	119.9	119.7
.3	Farm Machinery	104.8	104.8	104.8	104.2
100.0	All groups combined	140.3	140.2	139.8	137.1

*Indexes on 1926-1928 base were: April 14, 1945, 109.3; April 7, 1945, 109.2, and April 15, 1944, 106.8.

Wholesale Prices Unchanged for Week Ended April 7

During the first week of April, average prices for commodities in primary markets remained unchanged at the level which has prevailed since early in March, 105.1% of the 1926 average, the U. S. Department of Labor announced in its weekly report issued April 12, which went on to say: "Slightly higher prices were reported for agricultural commodities such as grains, cotton, oranges and potatoes, and an increase in ceiling prices for newsprint. Prices were lower for livestock and there was a further decline in the mercury market. In the past 12 months the Bureau of Labor Statistics' all-commodity index has advanced 1.4% largely because of higher prices for farm products, textile products and for building materials."

The Department's announcement continued:

"**Farm Products and Foods**—Average prices for farm products at the primary market level dropped 0.1% during the week as a result of lower prices for cows and sheep, for hay and for apples, lemons, onions and sweet potatoes. Higher prices were reported for all grains ranging from 0.3% for wheat to nearly 6% for rye. Cotton advanced 0.7% and substantial increases occurred in prices for live poultry and for oranges and potatoes. In the past four weeks average prices for farm products have risen 0.1% and were 2.5% higher than at this time last year.

"Food prices at the primary market level rose 0.1% during the first week of April. In addition to slightly higher quotations for certain fresh fruits and vegetables, dressed poultry advanced more than 1% and flour prices were fractionally higher than for the last week of March. Since early in March, average prices for foods have increased 0.4%. They were, however, a little lower than at this time last year.

"**Industrial Commodities**—Except for an increase of $3 per ton in ceiling prices for newsprint, the third since prices were put under control approximately three years ago, and a further decline of 1.9% in the mercury market, there were few changes in industrial commodity markets. Higher sales realizations for gas brought the index for fuel and lighting materials up 0.1% during the week. Building materials also rose 0.1% as a result of higher prices for sewer pipe, butyl acetate and turpentine. Slightly lower prices for ponderosa pine lumber and for maple flooring caused the index for lumber to drop 0.1%."

The Labor Department included the following notation in its report:

Note—During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. The indexes must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following tables show (1) indexes for the principal groups of commodities for the past three weeks, for March 10, 1945, and April 8, 1944, and the percentage changes from a week ago, a month ago, and a year ago and (2) percentage changes in subgroup indexes from March 31, 1945, to April 7, 1945.

WHOLESALE PRICES FOR WEEK ENDED APRIL 7, 1945

(1926=100)

						Percentage change to April 7, 1945, from—		
Commodity Groups—	4-7 1945	3-31 1945	3-24 1945	3-10 1945	4-8 1944	3-31 1945	3-10 1945	4-8 1944
All commodities	105.1	105.1	105.1	105.1	103.7	0	0	+ 1.4
Farm products	127.2	127.3	127.0	127.1	124.1	—0.1	+0.1	+ 2.5
Foods	104.9	104.8	104.5	104.5	105.0	+0.1	+0.4	— 0.1
Hides and leather products	118.3	118.3	118.2	118.1	117.6	0	+0.2	+ 0.6
Textile products	99.2	99.2	99.2	99.2	97.3	0	0	+ 2.0
Fuel and lighting materials	84.0	83.9	83.9	83.8	83.6	+0.1	+0.2	+ 0.5
Metals and metal products	104.3	104.3	104.3	104.3	103.8	0	0	+ 0.5
Building materials	117.0	116.9	116.9	116.9	114.7	+0.1	+0.1	+ 2.0
Chemicals and allied products	94.9	94.9	94.9	94.9	95.5	0	0	— 0.6
Housefurnishing goods	106.2	106.2	106.2	106.2	105.9	0	0	+ 0.3
Miscellaneous commodities	94.6	94.4	94.4	94.4	93.3	+0.2	+0.2	+ 1.4
Raw materials	116.1	116.2	116.0	116.2	113.6	—0.1	—0.1	+ 2.2
Semimanufactured articles	94.9	94.9	94.9	94.9	93.5	0	0	+ 1.5
Manufactured products	101.9	101.9	101.8	101.8	100.9	0	+0.1	+ 1.0
All commodities other than farm products	100.3	100.3	100.3	100.3	99.4	0	0	+ 0.9
All commodities other than farm products and foods	99.5	99.4	99.4	99.4	98.5	+0.1	+0.1	+ 1.0

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM MARCH 31, 1945 TO APRIL 7, 1945

Increases

Paper and pulp	0.9	Fruits and vegetables	0.3
Grains	0.6	Other building materials	0.2
Meats	0.1		

Decreases

Livestock and poultry	0.4	Lumber	0.1

Bar U. S. Press From Talk of Russo-Jap War

With all other nations free to express reaction to Russia's denunciation of its neutrality treaty with Japan, the U. S. Office of Censorship barred transmission abroad of editorial and Congressional comment, the Associated Press reported from Washington, April 6. The report stated that American censors applied the ban on outgoing news under a cautionary memorandum issued yesterday by Byron Price, Director of the Office of Censorship. This memo cautioned against publication or broadcast of speculation "regarding the probable intentions of Soviet Russia toward Japan."

According to the Associated Press in London, it was said at the Censorship Office that no embargo on speculation had been issued for the British press. An official asserted he had no knowledge of any intention to issue such a directive. "I can't see why," he said.

Nor was there any such directive in Moscow or Chungking.

Mr. Price said today his office has received a considerable number of inquiries and "a few protests" against his memorandum, the Associated Press report continued. He said:

"The language of yesterday's note seems quite plain. It contains no request that anyone refrain from discussing the Russian developments. It does point out the dangers and asks that editors and broadcasters weight the consequences and consult censorship. I believe most editors and broadcasters will be thankful for having their attention directed to the importance and dangers of the situation."

Mr. Price was asked whether his memorandum also tightened the rules governing consorship of news filed for export from the United States. He replied:

"We're going to be pretty careful what we permit to go out."

He said he felt that "the original memorandum must speak for itslf."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on April 11 a summary for the week ended Mar. 31 of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended March 31, 1945

	Total for Week
Odd-Lot Sales by Dealers (Customers' purchases)	
Number of orders	19,617
Number of shares	559,478
Dollar value	$22,441,982
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	208
*Customers' other sales	19,706
Customers' total sales	19,914
Number of Shares:	
Customers' short sales	7,484
*Customers' other sales	533,574
Customers' total sales	541,058
Dollar value	$20,523,104
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	100
†Other sales	119,080
Total sales	119,180
Round-Lot Purchases by Dealers:	
Number of shares	152,450

*Sales marked "short exempt" are reported with "other sales."

†Sales to offset customers' odd-lot orders and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Daily Average Crude Oil Production for Week Ended April 7, 1945, Increased 2,450 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended April 7, 1945, was 4,783,865 barrels, an increase of 2,450 barrels per day over the preceding week and a gain of 367,765 barrels per day over the corresponding week of 1944. The current figure, however, is 43,935 barrels below the daily average figure recommended by the Petroleum Administration for War for the month of April, 1945. Daily production for the four weeks ended April 7, 1945, averaged 4,780,350 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,686,000 barrels of crude oil daily and produced 14,244,000 barrels of gasoline; 1,538,000 barrels of kerosine; 4,493,000 barrels of distillate fuel, and 9,359,000 barrels of residual fuel oil during the week ended April 7, 1945 and had in storage at the end of that week; 52,778,000 barrels of civilian grade gasoline; 45,327,000 barrels of military and other gasoline; 7,323,000 barrels of kerosine; 27,037,000 barrels of distillate fuel, and 41,320,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations April	*State Allowables Begin. April 1	Actual Production			
			Week Ended Apr. 7, 1945	Change from Previous Week	4 Weeks Ended Apr. 7, 1945	Week Ended Apr. 8, 1944
Oklahoma	367,500	367,500	†374,550	+ 1,600	371,450	330,800
Kansas	274,000	269,400	†255,450	—20,400	269,550	257,350
Nebraska	1,000	----	†1,000	----	1,000	1,200
Panhandle Texas			90,000	+ 2,000	88,500	91,100
North Texas			150,000	+ 700	149,500	143,850
West Texas			489,500	+ 12,100	480,400	374,000
East Central Texas			145,550	— 1,150	146,400	127,250
East Texas			378,100	— 2,900	380,300	362,300
Southwest Texas			352,150	----	352,150	293,050
Coastal Texas			565,250	+ 800	564,650	518,800
Total Texas	2,170,000	‡2,170,278	2,170,550	+ 11,550	2,161,900	1,910,350
North Louisiana			71,050	+ 550	70,450	76,000
Coastal Louisiana			295,000	— 650	295,500	282,500
Total Louisiana	360,000	400,800	366,050	— 100	365,950	358,500
Arkansas	80,000	80,317	80,500	— 100	80,400	79,200
Mississippi	53,000		51,450	— 850	51,850	41,400
Alabama	300		250	----	250	100
Florida	----		15	----	----	50
Illinois	205,000		198,750	+ 10,450	190,050	224,450
Indiana	12,500		12,100	+ 2,000	10,700	14,900
Eastern— (Not incl. Ill., Ind., Ky.)	68,200		63,150	— 5,250	65,550	69,500
Kentucky	32,000		16,450	— 300	15,500	20,200
Michigan	47,000		47,050	+ 50	48,800	48,850
Wyoming	100,000		105,700	— 200	105,600	90,750
Montana	23,000		19,750	— 200	20,200	21,500
Colorado	10,500		9,550	----	9,750	8,700
New Mexico	105,000	105,000	104,750	+ 900	104,100	112,900
Total East of Calif	3,909,000		3,877,065	— 850	3,872,600	3,590,700
California	918,800	§918,800	906,800	+ 3,300	907,750	825,400
Total United States	4,827,800		4,783,865	+ 2,450	4,780,350	4,416,100

*P.A.W. recommendations and state allowables, as shown above, represent the production of crude oil only, and do not include amounts of condensate and natural gas derivatives to be produced.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. April 5, 1945.

‡This is the net basic allowable as of April 1 calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 2 to 14 days, the entire state was ordered shut down for 6 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 6 days shutdown time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED APRIL 7, 1945

(Figures in thousands of barrels of 42 gallons each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis

District—	% Daily Refining Capacity Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	§Gasoline Production at Ref. Inc. Nat. Blended	‡Stocks of Gas Oil & Dist. Fuel Oil	‡Stocks of Residual Fuel oil	‡Gasoline Stocks Military and Other	Gasoline Stocks Civilian Grade
East Coast	99.5	724	91.5	1,826	5,215	5,851	6,577	7,452
Appalachian— District No. 1	76.8	101	69.2	277	379	210	1,129	1,193
District No. 2	81.2	63	126.0	185	119	155	592	999
Ind., Ill., Ky.	87.2	735	85.8	2,656	3,422	1,816	6,569	17,209
Okla., Kans., Mo.	78.3	365	77.8	1,293	1,735	1,242	1,900	7,844
Inland Texas	59.8	219	66.6	858	318	692	1,227	1,712
Texas Gulf Coast	89.3	1,139	92.1	3,450	5,580	5,592	11,151	5,502
Louisiana Gulf Coast	96.8	272	104.6	824	1,704	1,544	2,662	2,403
No. La. & Arkansas	55.9	80	63.5	241	791	254	930	2,060
Rocky Mountain— District No. 3	17.1	10	76.9	28	15	35	20	51
District No. 4	72.1	109	68.6	368	340	633	458	2,117
California	85.5	869	87.4	2,238	7,419	23,296	12,112	4,236
Total U. S. B. of M. basis April 7, 1945	85.5	4,686	86.3	14.244	27,037	41,320	*45,327	52,778
Total U. S. B. of M. basis March 31, 1945	85.5	4,677	86.1	14,644	26,889	41,745	†45,869	†52,889
U. S. Bur. of Mines basis April 8, 1944		4,399		13,112	29,930	51,952	36,077	50,566

*Includes aviation and military grades, finished and unfinished, title to which still remains in the name of the producing company; solvents, naphthas, blending stocks currently indeterminate as to ultimate use, and 11,507,000 barrels unfinished gasoline this week compared with 11,814,000 barrels a year ago. These figures do not include any gasoline on which title has already passed, or which the military forces may actually have in custody in their own or leased storage. †Revised in East Coast area. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,538,000 barrels of kerosine, 4,493,000 barrels of gas oil and distillate fuel oil and 9,359,000 barrels of residual fuel oil produced during the week ended April 7, 1945, which compares with 1,613,000 barrels, 4,548,000 barrels and 9,184,000 barrels, respectively, in the preceding week and 1,399,000 barrels, 4,801,000 barrels and 8,629,000 barrels, respectively, in the week ended April 8, 1944.

Note—Stocks of kerosine at April 7, 1945 amounted to 7,323,000 barrels, as against 7,127,000 barrels a week earlier and 6,607,000 barrels a year ago.

Civil Engineering Construction $52,157,000 For Week

Civil engineering construction volume in continental United States totals $52,157,000 for the week, the highest weekly volume reported in 1945 according to "Engineering News-Record". The week's total, not including construction by military engineers abroad, American contracts outside the country, and shipbuilding, tops the preceding week by 55%, is 59% above the corresponding 1944 week, and exceeds the previous four-week moving average by 42%. The report issued on April 12 added:

Private construction accounts for 53% of the week's volume. It is 434% higher than a week ago, 650% above a year ago, and the highest reported since the week ended Nov. 18, 1943. Public construction is 14 and 16% lower, respectively, than last week and last year.

The current week's construction brings 1945 volume to $466,073,000 for the 15 weeks, a total 10% below the $517,000,000 reported for the period in 1944. Private construction for the year to date, $146,272,000, is 33% above last year, but public construction, $319,801,000, is down 21% as a result of the 28% decrease in Federal work. State and municipal volume is 39% higher than in the period a year ago.

Civil engineering construction volumes for the 1944 week, last week, and the current week are:

	Apr. 13, 1944	Apr. 5, 1945	Apr. 12, 1945
Total U. S. construction	$32,915,000	$33,709,000	$52,157,000
Private construction	3,695,000	5,177,000	27,651,000
Public construction	29,220,000	28,532,000	24,506,000
State and municipal	1,928,000	9,621,000	4,343,000
Federal	27,292,000	18,911,000	20,163,000

In the classified construction groups, gains over last week are in water works, industrial, commercial and public buildings, and unclassified construction. Increases over the 1944 week are in water works, industrial and commercial buildings, and streets and roads. Subtotals for the week in each class of construction are: water works, $498,000; sewerage, $136,000; bridges, $29,000; industrial buildings, $19,138,000; commercial building and large-scale private housing, $3,825,000; public buildings, $14,847,000; earthwork and drainage, $856,000; streets and roads, $4,524,000, and unclassified construction, $8,304,000.

New capital for construction purposes for the week totals $1,419,000 and is made up entirely of State and municipal bond sales. The week's new financing brings 1945 volume to $259,784,000 for the 15-week period, a total of 12% above that reported for the corresponding 1944 period.

Non-Ferrous Metal—Brass Output to Drop on Cutback in Small-Arms Ammunition Program

"E. & M. J. Metal and Mineral Markets," in its issue of April 12, states: "Though statistics issued set two new records, producers of non-ferrous metals are concerned chiefly with prospects for May and June now that cutbacks have appeared on the scene involving both ammunition and shipbuilding. Brass mills are expected to get less business next month, which would affect both copper and zinc. Copper deliveries for March amounted to 218,488 tons, with zinc shipments totaling 94,494 tons, both new highs. Larger arrivals of foreign lead are certain. Tungsten regulations were reinstated last week. Spanish quicksilver arrived here in volume." The publication further went on to say in part:

Copper

Interest in copper centered in probable demands for May. That brass mills will call for less copper next month appears certain, owing to the cutback in the small arms ammunition program. Activity at wire and cable plants is expected to continued at top speed throughout May. Though the statistics still point to a declining stockpile, a reduction in war demands for copper might easily alter the supply outlook, producers contend, particularly if reconversion is not handled efficiently.

Deliveries of refined copper in March amounted to 218,488 tons, against 172,585 tons in February, the Copper Institute reports. Production of crude in March was 76,234 tons and production of refined 76,395 tons.

Lead

Some producers were inclinde to take a less pessimistic view of the supply situation. Consumption of refined lead remains fairly high, being estimated at slightly less than 70,000 tons a month, but larger importations are in the offing and consumption and supply in another month or so should be in balance, authorities claim.

April requirements of consumers are about covered. Demand for May shipment lead remained fairly active. Sales of lead for the last week involved 7,069 tons.

Stocks of lead at United States smelters and refineries, in tons, according to the American Bureau of Metal Statistics:

	Mar. 1	Feb. 1
In ore, matte, and in Process at smelters	74,752	76,419
In base billion:		
Smelters and refineries	7,309	7,450
Transit to refineries	4,490	3,833
Process at refineries	14,311	14,991
Refined pig lead	24,477	22,872
Antimonial lead	5,664	4,866
Totals	131,003	130,431

Zinc

Anticipatory buying undoubtedly played a part before allocation became effective, the trade believes, which accounts in part for the quiet that prevailed in the zinc market last week. The announcement that the small arms ammunition program is being cut back also was a market factor, as smaller tonnages of zinc will be required, beginning with May, in production of brass.

The March slab zinc statistics of the American Zinc Institute showed that deliveries amounted to 94,494 tons, the largest tonnage ever shipped in a single month. All but 198 tons went to domestic consumers. The shipments during the first quarter totaled 269,802 tons, against 210,699 tons in the January-March period of 1944. stocks of slab zinc in the hands of smelters, consisting largely of metal owned by MRC, have declined from 237,520 tons at the beginning of the year to 174,672 tons at the end of March. The daily rate of production for March was 2,314 tons, against 2,312 tons in February.

Zinc statistics for March and February, in tons, are summarized in the following table:

	March	Feb.
Stock at beginning	197,427	215,559
Production	71,739	64,723
Production, daily rate	2,314	2,312
Shipments:		
Domestic	94,296	82,650
Export	198	205
	94,494	82,855
Unfilled orders	14,917	*28,055
Stock at end	174,672	197,427

*Revised.

Tungsten

The need for special alloys to withstand high-temperature operating conditions, as in jet propulsion and gas turbines, has revived the demand for tugnsten and brought about a steady price situation. WPB announced on April 7 that use of tungsten in high-speed tool steels again has been restricted through the issuance of Order M-21-j. Provisions of the new order follow closely, the requirements of Order M-21-h, which was revoked on Aug. 21, 1944. Officials of the Alloy Branch, Steel Division, WPB, believe that the new regulations will make it possible to meet the increased military requirements and maintain adequate reserves.

Aluminum

Production of primary aluminum during January amounted to 97,300,000 lb., against 9[illegible],700,000 lb. in December. The increase in output marks the beginning of an expanded production program that is expected to lift the monthly total to around 120,000,000 lb. in the near future, the Aluminum and Magnesium Division, WPB, reports.

Recovery of aluminum from secondary sources in January amounted to 62,300,000 lb., against 46,300,000 lb. (revised) in December.

Product shipments in January increased sharply to 200,300,000 lb., up 21% from the December level.

Tin

With the supply of tin growing more stringent, consumers look for no change in the general situation. Conservation of supplies will be continued until additional sources for obtaining the metal can be brought into the camp of the United Nations. In some quarters it is felt that V-E day will make even greater demands on the available supply. WPB last week revised the container order specifying uses for cans.

The market situation in tin was unchanged. Straits quality tin held at 52c. a pound. Forward quotations follow:

	April	May	June
April 5	52.000	52.000	52.000
April 6	52.000	52.000	52.000
April 7	52.000	52.000	52.000
April 9	52.000	52.000	52.000
April 10	52.000	52.000	52.000
April 11	52.000	52.000	52.000

Chinese, or 99% tin, continued at 51.125c., per pound.

Quicksilver

Except for a further slight easing of the spot quotations, the market for quicksilver was about unchanged last week. Metal shipped from Spain last month arrived during the last week, and the quantity amounted to more than 5,000 flasks, according to trade estimates. Demand for mercuric oxide for the battery program is substantial, and would be even greater at this time except for labor and equipment shortages..

Spot quicksilver was available at $158 to $162 per flask. Spanish metal for April shipment held at $152 per flask, duty paid, New York. The Pacific Coast market continued at $154 on prompt shipment metal, with May-June nominally at $150, Coast basis.

Domestic production of quicksilver during February amounted to 2,700 flasks, against 2,500 flasks in January, the Bureau of Mines reports. Consumption in February amounted to 5,100 flasks, against 5,200 flasks in January. Dealers' and consumers' stocks increased from 9,000 flasks at the end of January to 12,000 flasks a month later.

Silver

The London silver market was quiet and unchanged at 25½d. The New York Official foreign silver continued at 44¾c., with domestic metal at 70⅝c.

Gold

Production of gold in February was 66,903 oz., against 70,389 oz. in January and 97,976 oz. in February last year.

Revenue Freight Car Loadings During Week Ended April 7, 1945 Decreased 70,463 Cars

Loading of revenue freight for the week ended April 7, 1945 totaled 764,763 cars, the Association of American Railroads announced on April 12. This was a decrease below the corresponding week of 1944 of 23,222 cars, or 2.9% and a decrease below the same week in 1943 of 24,256 cars, or 3.1%.

Loading of revenue freight for the week of April 7 decreased 70,463 cars, of 8.4% below the preceding week.

Miscellaneous freight loading totaled 388,836 cars, a decrease of 21,947 cars below the preceding week, but an increase of 13,066 cars above the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 108,935 cars, a decrease of 3,311 cars below the preceding week but an increase of 331 cars above the corresponding week in 1944.

Coal loading amounted to 118,147 cars, a decrease of 53,360 cars below the preceding week, and a decrease of 49,165 cars below the corresponding week in 1944.

Grain and grain products loading totaled 46,341 cars, a decrease of 219 cars below the preceding week but an increase of 6,221 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of April 7, totaled 30,396 cars, an increase of 272 cars above the preceding week and an increase of 3,380 cars above the corresponding week in 1944.

Livestock loading amounted to 14,536 cars, an increase of 20 cars above the preceding week and an increase of 357 cars above the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of April 7 totaled 11,072 cars, a decrease of 100 cars below the preceding week, but an increase of 773 cars above the corresponding week in 1944.

Forest products loading totaled 39,088 cars, a decrease of 2,686 cars below the preceding week and a decrease of 6,649 cars below the corresponding week in 1944.

Ore loading amounted to 35,437 cars, an increase of 13,236 cars above the preceding week and an increase of 14,127 cars above the corresponding week in 1944.

Coke loading amounted to 13,443 cars, a decrease of 2,196 cars below the preceding week, and a decrease of 1,510 cars below the corresponding week in 1944.

All districts reported decreases compared with the corresponding weeks in 1944, and 1943, except the Northwestern and Central western.

	1945	1944	1943
4 Weeks of January	3,001,544	3,158,700	2,910,638
4 Weeks of February	3,049,697	3,154,116	3,055,725
5 Weeks of March	4,018,627	3,916,037	3,845,547
Week of April 7	764,763	787,985	789,019
Total	10,834,631	11,016,838	10,600,929

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended March 31, 1945. During this period 81 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS) WEEK ENDED MARCH 31

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Eastern District—					
Ann Arbor	297	232	26	1,618	1,532
Bangor & Aroostook	3,239	2,327	248	477	258
Boston & Maine	7,297	7,309	643	17,471	16,150
Chicago, Indianapolis & Louisville	1,252	1,320	1,640	2,376	2,094
Central Indiana	36	36	29	43	44
Central Vermont	1,160	1,085	1,093	2,309	2,541
Delaware & Hudson	5,414	5,008	6,316	15,983	13,598
Delaware, Lackawanna & Western	8,383	7,649	7,510	12,592	11,257
Detroit & Mackinac	185	241	230	150	92
Detroit, Toledo & Ironton	1,943	1,763	1,795	1,614	1,327
Detroit & Toledo Shore Line	464	307	307	4,255	3,157
Erie	13,222	13,766	12,850	19,060	18,825
Grand Trunk Western	4,437	3,813	3,507	10,145	9,373
Lehigh & Hudson River	162	167	182	4,344	3,436
Lehigh & New England	1,731	2,041	2,247	1,530	1,518
Lehigh Valley	8,478	8,985	6,998	12,662	16,138
Maine Central	2,535	2,317	2,476	5,224	4,174
Monongahela	6,094	6,512	5,815	427	337
Montour	2,680	2,179	1,927	37	22
New York Central Lines	50,744	47,993	52,671	58,687	58,772
N. Y., N. H. & Hartford	11,004	10,965	10,586	21,112	20,954
New York, Ontario & Western	914	1,033	883	3,366	3,430
New York, Chicago & St. Louis	7,056	6,237	6,155	17,555	17,234
N. Y., Susquehanna & Western	448	469	356	2,633	2,545
Pittsburgh & Lake Erie	8,559	8,222	7,697	8,151	8,149
Pere Marquette	5,353	4,932	4,807	9,440	8,252
Pittsburg & Shawmut	874	778	850	19	18
Pittsburg, Shawmut & North	247	285	318	298	275
Pittsburgh & West Virginia	1,007	988	562	3,604	3,010
Rutland	400	395	336	1,201	1,286
Wabash	5,927	5,405	5,521	13,953	12,789
Wheeling & Lake Erie	6,099	5,124	4,907	5,579	4,784
Total	167,641	159,833	159,762	257,915	247,371
Allegheny District—					
Akron, Canton & Youngstown	813	705	789	1,522	1,230
Baltimore & Ohio	45,957	42,985	39,971	31,724	30,141
Bessemer & Lake Erie	2,732	3,101	2,816	2,102	1,660
Buffalo Creek & Gauley	*	*	300	*	*
Cambria & Indiana	1,616	1,494	1,737	12	20
Central R. R. of New Jersey	6,837	7,041	6,868	23,509	22,054
Cornwall	565	591	91	71	67
Cumberland & Pennsylvania	208	163	312	10	15
Ligonier Valley	105	133	124	49	42
Long Island	1,497	1,256*	1,262	4,723	3,929
Penn-Reading Seashore Lines	2,178	1,772	1,602	2,615	2,472
Pennsylvania System	88,367	80,150	78,676	68,965	65,495
Reading Co.	14,990	14,623	16,077	35,202	30,277
Union (Pittsburgh)	19,316	20,373	20,925	4,712	4,293
Western Maryland	4,287	4,322	3,758	15,757	13,650
Total	189,468	178,709	175,308	190,973	175,345
Pocahontas District—					
Chesapeake & Ohio	28,920	27,941	26,130	14,362	13,291
Norfolk & Western	21,545	21,584	20,432	10,000	6,928
Virginian	4,600	4,209	4,519	3,245	2,586
Total	55,065	53,734	51,081	27,607	22,805
Southern District—					
Alabama, Tennessee & Northern	413	247	308	386	465
Atl. & W. P.—W. R. R. of Ala	907	820	785	2,618	2,348
Atlanta, Birmingham & Coast	1,036	576	641	1,575	1,640
Atlantic Coast Line	14,039	13,285	14,998	13,383	11,492
Central of Georgia	3,999	3,801	4,580	6,115	4,543
Charleston & Western Carolina	491	341	451	1,684	1,872
Clinchfield	1,608	1,601	1,615	3,418	3,417
Columbus & Greenville	227	207	320	273	199
Durham & Southern	125	108	106	734	875
Florida East Coast	3,764	4,191	2,800	1,421	2,069
Gainesville Midland	47	50	43	151	166
Georgia	1,226	1,031	1,578	2,959	2,688
Georgia & Florida	450	348	392	942	880
Gulf, Mobile & Ohio	4,664	3,845	3,716	4,569	4,188
Illinois Central System	27,996	25,742	25,165	18,351	18,557
Louisville & Nashville	26,679	23,862	23,433	13,004	11,461
Macon, Dublin & Savannah	209	179	206	1,127	1,011
Mississippi Central	399	220	251	595	705
Nashville, Chattanooga & St. L.	3,794	3,392	3,128	5,266	4,649
Norfolk Southern	1,118	886	1,147	1,775	1,765
Piedmont Northern	466	444	366	1,433	1,405
Richmond, Fred. & Potomac	442	407	371	12,918	12,196
Seaboard Air Line	11,986	10,977	10,704	9,640	9,319
Southern System	26,109	21,308	22,907	28,178	25,122
Tennessee Central	685	829	677	735	782
Winston-Salem Southbound	146	154	114	1,089	931
Total	133,025	118,851	120,802	134,339	124,745
Northwestern District—					
Chicago & North Western	17,090	15,447	15,147	14,654	14,152
Chicago Great Western	2,639	2,669	2,475	3,841	3,410
Chicago, Milw., St. P. & Pac.	21,332	19,784	18,793	11,197	10,389
Chicago, St. Paul, Minn. & Omaha	3,414	3,207	3,112	3,950	4,172
Duluth, Missabe & Iron Range	4,175	2,706	935	210	171
Duluth, South Shore & Atlantic	551	688	521	632	575
Elgin, Joliet & Eastern	9,416	9,202	8,786	13,386	12,563
Ft. Dodge, Des Moines & South	364	399	421	94	103
Great Northern	11,881	12,051	10,719	6,621	5,774
Green Bay & Western	501	468	450	1,052	907
Lake Superior & Ishpeming	320	326	139	86	65
Minneapolis & St. Louis	2,055	1,975	1,918	2,646	2,644
Minn., St. Paul & S. S. M.	4,298	5,053	4,455	3,208	3,608
Northern Pacific	9,216	10,158	8,250	6,021	5,023
Spokane International	238	94	72	545	596
Spokane, Portland & Seattle	2,264	2,583	1,821	3,769	2,875
Total	89,754	86,810	78,014	71,912	67,027
Central Western District—					
Atch., Top. & Santa Fe System	25,586	21,540	21,941	15,146	11,760
Alton	3,759	2,828	3,073	4,499	4,179
Bingham & Garfield	359	483	508	76	113
Chicago, Burlington & Quincy	20,424	17,944	18,436	12,978	12,229
Chicago & Illinois Midland	3,021	2,795	3,192	929	960
Chicago, Rock Island & Pacific	12,439	10,577	12,878	14,024	13,370
Chicago & Eastern Illinois	3,143	2,644	2,438	4,365	6,686
Colorado & Southern	759	693	707	2,404	2,324
Denver & Rio Grande Western	3,327	3,355	3,174	6,613	5,953
Denver & Salt Lake	513	648	598	31	23
Fort Worth & Denver City	938	745	1,002	1,544	1,467
Illinois Terminal	2,498	2,035	1,899	2,362	2,024
Missouri-Illinois	976	1,139	1,030	728	462
Nevada Northern	1,223	1,826	2,057	106	115
North Western Pacific	700	768	791	828	681
Peoria & Pekin Union	2	9	22	0	0
Southern Pacific (Pacific)	27,993	29,286	26,921	16,287	15,281
Toledo, Peoria & Western	330	312	267	2,400	1,973
Union Pacific System	16,0[illegible]	15,515	13,535	17,234	16,813
Utah	539	571	589	2	6
Western Pacific	1,779	2,016	1,703	4,690	4,208
Total	126,394	117,729	116,761	107,246	100,627
Southwestern District—					
Burlington-Rock Island	404	456	959	419	519
Gulf Coast Lines	7,155	7,684	5,305	3,006	2,468
International-Great Northern	2,871	2,123	2,014	4,048	4,082
Kansas, Oklahoma & Gulf	246	261	300	1,105	1,214
Kansas City Southern	5,461	5,891	5,119	3,083	2,881
Louisiana & Arkansas	3,398	2,939	2,795	2,665	2,438
Litchfield & Madison	354	288	222	1,193	1,109
Midland Valley	647	658	665	569	471
Missouri & Arkansas	133	185	176	475	429
Missouri-Kansas-Texas Lines	7,296	6,096	5,629	5,736	4,653
Missouri Pacific	16,347	15,446	16,227	20,017	21,182
Quanah Acme & Pacific	118	110	98	433	332
St. Louis-San Francisco	9,514	7,620	8,628	8,373	9,413
St. Louis Southwestern	3,548	3,085	3,060	7,204	7,077
Texas & New Orleans	10,779	11,961	14,674	5,956	5,538
Texas & Pacific	5,481	5,484	4,359	8,508	7,675
Wichita Falls & Southern	83	81	121	38	59
Weatherford M. W. & N. W.	44	22	23	31	24
Total	73,879	70,390	70,374	72,859	71,564

*Included in Baltimore & Ohio RR.

Note—Previous year's figures revised.

Weekly Statistics of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1945—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Percent of Activity Cumulative
January 6	189,769	125,882	532,194	80	80
January 13	149,921	150,011	524,308	95	87
January 20	131,901	150,876	503,240	94	89
January 27	159,885	152,075	510,931	95	91
February 3	204,550	148,139	565,064	92	91
February 10	149,590	151,307	560,960	93	92
February 17	145,541	149,816	553,609	93	92
February 24	131,989	152,755	529,238	97	93
March 3	181,377	150,486	558,285	96	93
March 10	177,711	152,611	580,804	94	93
March 17	129,948	153,625	557,986	95	93
March 24	137,911	158,551	537,005	99	94
March 31	178,483	162,386	549,631	100	94
April 7	203,891	146,832	604,720	92	94

Notes—Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

Russia and Yugoslavia Conclude Aid Pact

Soviet Russia and Yugoslavia announced on April 12 the conclusion of a 20-year treaty of friendship and mutual assistance, pledging joint military effort agains the Nazis in this war and in any future war involving Germany o an ally of Germany, according t Associated Press advices from Moscow on April 12, which also had the following to say about th agreement:

The treaty was signed yesterday at Moscow by Foreign Commissa Viacheslav M. Molotov, for Russia, and Marshal Josip Broz (Tito), for Yugoslavia, "on authorizatio of the Regency Council of Yugoslavia." Early Yugoslav ratification with a formal ceremony a Belgrade is expected.

Hailing the six-article treaty, Molotov declared it would "serve the cause of the United Nations, which are inclined toward a firm peace security in Europe," and o all freedom-loving peoples, especially Slav nations, who "will see in it a new consolidation in the struggle for their glorious future."

Marshal Tito said it would be "one of the foundation stones of future security in Europe," and declared Yugoslavia "relied and will rely for support on the powerful coalition of great allies forged in the struggle against the common enemy."

His statement suggested Yugoslavia would seek similar pact with other nations.

Article 2 of the treaty reads "Should one of the high contracting parties be drawn, in the postwar period, into military operations against Germany, in the event of that country renewing he aggressive policy, or against any state joining directly with Germany or in any other form in tha war, the other high contractin party will immediately render t the high contracting party draw into military operations militar and other assistance and suppo with all the means at its disposal."

The treaty contains a one-yea cancellation clause whereby eithe party may denounce it one yea before the twenty-year period expires. Otherwise it is to remai automatically valid for successiv five-year periods until one part cancels it a year before expiratio of any five-year period.

[A Serbian national goverrment, to operate within the fram work of the Yugoslav governme has been organized with D Blashko Neskovitch as Preside and Milentije Popovitch as Interior Minister, the Belgrade rad said in a broadcast reported yesterday by the Federal Communications Commission. Neskovit and Popovitch are members o the Serbian Communist party.]

Lumber Movement—Weel Ended April 7, 1945

According to the National Lumber Manufacturers Association, lumber shipments of 478 mills reporting to the National Lumber Trade "Barometer" were 3.4% above production for the wee April 7, 1945. In the same weel new orders of these mills wer 3.0% less than production. Unfilled order files of the reportin mills amounted to 114% of stock For reporting softwood mills, unfilled orders are equivalent to days' production at the curre rate, and gross stocks are equivalent to 32 days' production.

For the year to date, shipmen of reporting identical mills exceeded production by 9.2%; orders by 15.8%.

Compared to the average corresponding week of 1935-193 production of reporting mills w 16.7% greater; shipments we 18.4% greater, and orders we 8.6% greater.

Items About Banks, Trust Companies

James J. Rooney, with the Emigrant Industrial Savings Bank for 22 years, has been promoted to Vice-President, according to the announcement on April 17 by John T. Madden, President of the bank. Mr. Rooney's promotion came at a meeting of the Board of Trustees which acted upon other recommendations and appointed two others to higher office.

These were Timothy J. Murray who was selected as Assistant Auditor and Henry Kallenbron, who takes over the post of Assistant Comptroller. Both have been with the Bank for some years.

Alexander C. Nagle on April 17 was elected President of the First National Bank of New York at the meeting of the board of directors. Mr. Nagle, who succeeds the late Leon Fraser, has been connected with the First National for 38 years and has been Vice-President since 1928.

At a regular meeting of the board of directors of The National City Bank of New York A. Elliott Pinkus was appointed an Assistant Cashier.

The stock of the Continental Bank & Trust Co., New York, which was formerly owned by James A. Jackson and associates, was bought by R. Carrion, Executive Vice-President of the Banco Popular de Puerto Rico and associates, it was announced on April 12 by the New York "Journal of Commerce," which further said:

"Mr. Jackson resigned as President of the local banking institution last week.

"Mr. Carrion was elected a director of the Continental Bank some months ago, and was already a stockholder before he bought Mr. Jackson's stock.

"For the present, he said, Mr. Carrion does not expect to assume any executive position in the bank, aside from his directorship.

"Frederick E. Hasler, Chairman of the board, was reelected President of the Continental Bank, a position he had previously occupied when Mr. Jackson resigned."

The Tremont Avenue office of Manufacturers Trust Co. of New York was moved after banking hours on Saturday, April 14, from 822 East Tremont Avenue, Bronx, to 749 East Tremont Avenue. James E. McCarthy, Manager, is in charge of this office. Francis Crave is Supervising Vice-President for the Bronx offices of Manufacturers Trust Co.

The Guaranty Trust Co. of New York has concluded a lease for a period of years for space on four floors at 40 Rockefeller Plaza, and will establish a branch office there to serve business organizations and individuals in the Rockefeller Center district. The new office will offer the complete range of banking and trust services of the company. The Guaranty Safe Deposit Co. will provide safe deposit service at the same location.

The date of opening will be dependent on WPB authorization for materials necessary to alter the interior for banking requirements. The new office will give the Guaranty three branches in New York in addition to its main office at 140 Broadway. The Fifth Avenue office, at 44th Street, was one of the first banking institutions on Fifth Avenue, established 47 years ago. The Madison Avenue office, at 60th Street, has served the upper East Side for 26 years.

R. Bruce Estelle of the Cruikshank Co. negotiated the lease for the new Rockefeller Plaza quarters, which are on the northwest corner of 50th Street. The space includes a main banking room at the street level, the mezzanine, and second floor, with an additional large space below the banking room opening onto the building concourse. The safe deposit vaults and facilities for the handling of payroll checks will occupy the space at the concourse level, and the entrance from the concourse will also give access to the main banking floor as well as to the safe deposit vaults.

Architects for the bank are Halsey, McCormack & Helmer, Inc., and the new interior installations will be done by Turner Construction Co.

The famous photograph of the flag-raising by a group of U. S. Marines on the top of Mount Suribachi on Iwo Jima, chosen as a symbol of the Seventh War Loan Drive, is to be reproduced in a three dimensional replica by the Bank of the Manhattan Co., 40 Wall Street, New York.

F. Abbot Goodhue, President of the bank, has announced that the 23-foot structure is already under construction. It will be on display during the entire Seventh War Loan Drive.

The figures in this dramatic tableaux will be nine feet in height. The reproduction in full color will have an effective setting behind the black marble columns at the end of the 110-foot main corridor of the bank building.

Plans for the dedication of the historic symbol will be announced later.

Fletcher L. Gill, Vice-President of the Bank of the Manhattan Co., New York, has recently been appointed a director of the Treasury's War Finance Committee, in charge of the banking and investment division for the Seventh War Loan Drive.

The election of Robert J. McKim as a trustee of the North River Savings Bank, New York, was announced recently. Mr. McKim is also President of the Associated Dry Goods Corp.

D. Irving Mead, President of the South Brooklyn Savings Bank, Brooklyn, N. Y., announced the election of Albert G. Wright as a trustee of the bank.

The Brooklyn "Daily Eagle," in reporting this, also said:

"Mr. Wright is Vice-President and General Manager for Long Island of the New York Telephone Co., and is a director of the Brooklyn Chamber of Commerce."

The election of Howard D. Springsteen and A. D. McKeige as trustees of the Queens County Savings Bank, Flushing, New York, was announced on April 14 by the New York "Herald Tribune," which also reported the appointments of W. C. Rollauer as Assistant Secretary and R. W. Furman, Mortgage Officer.

Edgar A. Lodge, Controller of the Home Title Guaranty Co., Rockville Centre, Long Island, died on April 9 at 50 years of age. Before becoming associated with Title Guaranty Co. Mr. Lodge was office manager of Kidder, Peabody & Co., New York.

The New York State Banking Department announced on April 13 that approval was given to the Schenectady Trust Co., Schenectady, N. Y., to increase its capital stock from $750,000, consisting of 7,500 shares of the par value of $100 each, to $1,000,000, consisting of 10.000 shares of the par value of $100 each.

The election of John T. Ames as a director of the Nyack Bank & Trust Co., Nyack, N. Y., was announced on April 10. Mr. Ames is also President of American British Chemical Supplies, Inc.

M. Raymond Riley, President of the Orange First National Bank, Orange, N. J., announced on April 13 the election of Walter C. Wulff as Vice-President.

The Newark "News," in reporting this, said:

"Mr. Wulff left the Summit Trust Co. in 1936 to go with Lehman Brothers, New York, and later was with Campbell Phelps & Co., New York. He became associated with the Savings Investment & Trust Co., East Orange, in January, 1938."

John W. Kress, Vice-President of the Howard Savings Institution, Newark, N. J., has recently been elected a member of the board of managers of the Bloomfield Savings Bank of Bloomfield, N. J. Mr. Kress is President of the Savings Banks Association of New Jersey.

Following a meeting of the board of directors of the Savings Bank of Baltimore, Baltimore, Md., on April 11, the election of Robert W. Thon Jr. as Vice-President and director was announced.

The Baltimore "Sun" of April 12 also reported:

"The promotion of Mr. Thon followed several changes in the list of officers of the Savings Bank of Baltimore made at the annual meeting early in February. At that time S. Page Nelson was made President to succeed Austin McLanahan, who was named Chairman of the board, and James K. Steuart, Treasurer, was elected to the combined position of Vice-President and Treasurer."

Leo A. Rover, former United States Attorney for the District of Columbia, has been named a director of the Bank of Commerce & Savings, it was announced on April 11 and reported by S. Oliver Goodman of the Washington "Post," who also said:

"Mr. Rover retired as District Attorney in 1934 after a notable career in a number of major cases, one of which was Teapot Dome. He has practiced privately since then."

H. Douglas Fuller, Chairman of the board of the Farmers & Merchants National Bank, Winchester, Va., died on April 14 at 83 years of age.

The Washington, D. C., "Post," in reporting this, continued:

"Mr. Fuller spent at least 60 years as a banker. He was Assistant Cashier of the Shenandoah Valley National Bank of Winchester and became Cashier of the Farmers National Bank when it began operation. He became its President and was Chairman of the board at the time of his death."

The National City Bank, Cleveland, Ohio, on May 16 will celebrate its 100th year.

The institution is the oldest bank in Cleveland and the largest National bank in Ohio, having grown from a capitalization of $50,000 (not fully subscribed until several years after its founding) to an institution with assets of $441.000.000, it was announced on April 13 by the Cleveland "Plain Dealer," which also announced:

"During the 1933 banking crisis when many other banks were collapsing, the National City remained open and met all demands up to the day President Roosevelt ordered the national bank holiday. At the end of the five-day moratorium the bank reopened and continued banking operations without restrictions.

"Its most rapid growth has taken place during the last 13 years, when its assets climbed from $35,000,000 in 1932 to $441,000,000."

Succeeding Ralph W. Manuel, retiring President of the Marquette National Bank, Minneapolis, Minn., Russell L. Stotesbery has been named to the position. Mr. Manuel was named Chairman of the Board.

Charles W. Cole was elected to the board of directors of the Midland National Bank, Minneapolis, Minn., it was announced recently by Arnulf Ucland, President of the bank. Mr. Cole is President and Treasurer of Harrison & Smith Co., Minn.

Hugh C. Gruwell, formerly with the United States National Bank of Portland, Ore., has been named Executive Vice-President of the First National Bank of Phoenix, Ariz., according to word received by Walter L. J. Davis, Vice-President of the United States National and learned from the Portland "Oregonian," which went on to say:

"Mr. Gruwell went from Portland to the Peoples National Bank of Seattle as Vice-President, and later to Los Angeles in a similar capacity with the Bank of America."

Directors of the California Bank on April 10 declared a dividend fo 37½ cents a share on the common stock, payable May 1 to stock of record April 25. This is the second payment since the first of the year, a similar amount having been paid in January. Previously the company paid 50 cents semi-annually.

Canol Oil Project In Canada To Close

It was disclosed on March 14 by Chairman Mead (Dem., N. Y.) of the Senate War Investigating Committee that the Army has agreed to close down its Canol petroleum project in Canada "about April 1." The Senator made his statement to the Senate during a speech in which Senator Moore (Rep., Okla.) criticized the War Department for going ahead with the project against the advice of "petroleum experts."

Associated Press advices from Washington reporting this said:

Senator Mead recalled the War Department's recent announcement the project will be closed June 30, but said the Committee has received more "satisfactory" promises since. Top officials, he said, told a closed meeting of his group the new deadline is "about April 1."

"Operations at the wells will be closed immediately," Mr. Mead declared. He said the Whitehorse Refinery will be closed as soon as it has refined crude oil on hand. Workers he said, will be made available to the oil industry in this country.

"The Army says that the properties are to be offered to Canada under an option to buy at the present appraised value," Senator Moore said in his speech.

Senator Moore it is said, doubted the wisdom of permitting the Army to negotiate for the disposal of the property saying that it should be sold by the Surplus Property Board.

Earlier advices in the matter, (United Press) March 9 stated:

The American Canol Oil project in Canada will be written off the books by June 30.

Abandonment of the project, subject of controversy between the Army and the Senate's War Investigating Committee for more than two years, was announced last night by the War Department. It had been in operation less than a year.

Only the products pipeline from Skagway to Whitehorse and Fairbanks, Alaska, will be retained by the Army after the June shutdown date. Petroleum production at Norman Wells will be halted and operations will cease at the refinery at Whitehorse and on the crude oil pipeline from Norman Wells to Whitehorse.

These facilities will be offered for sale to Canada and private bidders. Under terms of an international agreement, Canada will have first option to buy.

The United States retains an option to purchase up to 60,000,000 barrels of oil after present operations are stopped.

The War Department said the joint chiefs of staff decided to abandon the project because of the anticipated improvement in the tanker situation and the improved military outlook in Alaska and the Pacific.

A slightly different version, however, came from Chairman James M. Mead, Democrat, New York, of the Senate War Investigating Committee which issued two critical reports on the project in 1943 and 1944. Senator Mead said:

"Operating costs have proved greatly excessive and the yield of 100 octane gasoline has been less than that which was expected by the War Department. The operating costs reflect excessive use of manpower and transportation in order to obtain the desired products. In the light of these facts, the committee began closed hearings with respect to the Canol project Feb. 15, 1945. It had by this time become apparent that the further operation of the refinery, the crude oil pipeline and the oil wells at Norman Wells should be discontinued."

Business Communications With Bulgaria, Rumania

The Treasury Department announced on March 30 the relaxation of its restrictions on commercial and business communications with Bulgaria and Rumania. This action coincided with the restoration of postal service with these countries. Telecommunication service with Bulgaria has also been restored, but telecommunications with Rumania are not permitted at this time.

Hereafter communications of a business, financial or commercial nature which are limited to the ascertainment of facts and exchange of information may be transmitted to and from Bulgaria and Rumania without Treasury license. Accordingly, banks and other financial institutions may reply to requests for information from their customers, and documents such as birth, death and marriage certificates, wills, commercial reports, and financial statements may be forwarded and solicited.

Bulgarian and Rumanian assets in this country remain immobilized under the freezing regulations and Treasury licenses will continue to be required to effect any financial or property transactions on behalf of or involving persons in these countries. Communications which constitute or contain instructions or authorizations to effect financial or property transactions may not be sent to Bulgaria and Rumania except under Treasury licenses.

No facilities are available as yet for sending living expense remittances to Bulgaria or Rumania. The transmission of currency, securities, money orders, checks, drafts, or other financial instruments continues to be prohibited. Although concerns in the United States may correspond with firms in Bulgaria and Rumania with respect to the resumption of business relationships, private trade transactions will not be licensed until arrangements for the resumption of private trade have been made.